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SUMMARY RECORD OF THE 3rd MEETING

Chairman: Mr. VÍLCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 3.15 p.m.

ELECTION OF A VICE-CHAIRMAN

1. The CHAIRMAN informed the Committee that the Group of Eastern European States had proposed Mr. Movses Abelian (Armenia) for the position of the second Vice-Chairman of the Committee. As there were no other candidates, he suggested that the Committee should dispense with a secret ballot.

2. It was so decided.

3. Mr. Movses Abelian (Armenia) was elected Vice-Chairman by acclamation.

ORGANIZATION OF WORK

4. The CHAIRMAN informed the Committee that the Bureau had met on the previous Friday and had examined various details left pending at the previous meeting with regard to the Committee's programme of work. First, the Fifth Committee would consider item 117, entitled "Improving the financial situation of the United Nations", during the week of 16 to 20 October. Second, with regard to the proposal of the Netherlands that the question of the rates of assessment of the Czech Republic and Slovakia should be included under item 138, entitled "Administrative and budgetary aspects of the financing of the United Nations peace-keeping operations", the Bureau had decided that consideration of that question as a sub-item of item 138 should be postponed to permit additional consultations on the matter. Finally, with regard to the proposal put forward by Cuba, India and Mexico that the Sixth Committee should also examine the report of the Secretary-General on the reform of the system of justice in the Secretariat, the Bureau recommended that he should send a letter requesting the Chairman of the Sixth Committee to invite that Committee to consider the aforementioned report in order to determine the potential legal repercussions of the Secretary-General's plan for the reform of the internal system of justice in the Secretariat. In the meantime, the Fifth Committee would consider the administrative and financial repercussions of that report.

5. Miss PEÑA (Mexico) explained that her delegation did not recall saying anything about the need for the Sixth Committee to express an opinion regarding the aforementioned report of the Secretary-General. Moreover, in the opinion of her delegation, there was no justification for the proposal that the Sixth Committee should be consulted on the matter.

6. Ms. SHENWICK (United States of America) agreed with the view expressed by the representative of Mexico.

7. Mrs. RODRÍGUEZ ABASCAL (Cuba) supported the Bureau's suggestion.

8. The CHAIRMAN suggested that, in view of the lack of agreement on the question, consultations with delegations should continue and a decision on the matter should be postponed.

9. It was so decided.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (A/50/6 (Vol. I and II), A/50/7 and A/50/16)

10. The SECRETARY-GENERAL said that, as chief administrative officer of the Organization, he had come to the Fifth Committee to present his proposed programme budget for the biennium 1996-1997. That budget represented a renewed effort by the Secretariat to minimize resource requirements. At the same time, it endeavoured to ensure the efficient provision of efficient services to Member States and the execution of all mandated activities as effectively as possible.

11. The programme of work envisaged reflected the legislative mandates embodied in the medium-term plan for the period 1992-1997. It also reflected the related resolutions of the General Assembly and was consistent with the priorities identified by the Assembly. It was the third and last biennial programme budget prepared within the framework of the current medium-term plan.

12. In devising his proposals, he had placed particular emphasis on effectiveness through improved management, in other words, through simplified administrative procedures, rationalized work programmes, improved productivity through advanced automation technologies, enhanced resource utilization in conference services, and reduced operating expenses in specific areas.

13. Thanks to the benefits of Secretariat restructuring, efficiency gains and investments in technology, the budget represented a significant reduction compared with the current budget and also with the outline of the proposed programme budget for 1996-1997 approved the previous year by the General Assembly.

14. His proposals stemmed from intense scrutiny within the Secretariat. The aim had been clear: to determine the maximum level of efficiency gains that could be achieved without a negative impact on the fulfilment of mandates.

15. He was pleased that the timeliness of his proposals had facilitated the work of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and of the Committee for Programme and Coordination (CPC), as those bodies had indicated in their reports.

16. The presentation of the proposed programme budget included a number of new features. He hoped that those improvements would facilitate the Committee's deliberations.

17. The proposed programme budget for the biennium 1996-1997 called for the abolition of 201 posts and the creation of 66 posts for new activities mandated by Member States. Resource reductions under the expenditure sections amounted to $98.2 million. When the estimates for general income and revenue-producing activities were taken into account, that was a net reduction of $117 million, as compared to the current biennial budget.

18. The proposed distribution of resources for the biennium 1996-1997 had been guided by the priority areas identified for the medium-term plan period and elaborated in the budget outline. Accordingly, special attention had been paid to strengthening the Organization's capacity to deal with political and peace-

keeping activities, reinforcing international and regional cooperation for development, enhancing support for human rights and humanitarian activities, and increasing internal oversight capacity.

19. For the maintenance of peace and security, preventive diplomacy and peacemaking were highly cost-effective activities. The Organization's capacity for those activities would be enhanced through the redirection of resources within the Department of Political Affairs. In addition, measures were being taken to strengthen the support capacity for sanctions committees.

20. Another crucial requirement was the effective and efficient conduct and of support for peace-keeping operations. Experience had shown the need to strengthen policy management, organizational performance, strategic planning and start-up capacity. His proposals paid particular attention to those core functions.

21. The United Nations had been and must continue to be an active force for development, a forum for discussion, a tool for cooperation, and a vehicle for promoting multilateral action and global consensus.

22. The recommendations of the United Nations conferences held during the current biennium had been far-reaching and would facilitate the articulation and implementation of a new and comprehensive vision of development. He had proposed measures to strengthen the programmes dealing with sustainable development, micro-economics and social policy analysis, population, international drug control, crime prevention, Habitat II and the United Nations New Agenda for the Development of Africa in the 1990s. He had also proposed measures to strengthen the regional commissions in their follow-up to the Global Conference on the Sustainable Development of Small Island Developing States.

23. The Fourth World Conference on Women had requested him to take measures to strengthen the Organization's capacity to implement its Platform for Action. He would present his proposals in that regard when the General Assembly considered the report of the Conference.

24. The need for the promotion and protection of human rights had never been greater, neither had the need for a rapid and effective response to humanitarian emergencies. In the next biennium, efforts would be made to consolidate the new organizational structure of the Centre for Human Rights, and to make the human rights programme more effective.

25. With regard to humanitarian emergencies, the emphasis would be on enhancing the Organization's early-warning capacity, ensuring its readiness for rapid response, and improving coordination in the critical initial phase.

26. Internal oversight was a key element of management efficiency. Accordingly, the proposed budget included proposals to further strengthen the Office of Internal Oversight Services.

27. Effective management of human resources was also key. The Organization must have at its disposal - and be able to retain - staff with the skills, competence and expertise necessary to carry out its tasks. That was

particularly important at a time of rapid change. The staff of the Organization were called upon to respond to new challenges and new mandates, which often required them to undertake additional and unfamiliar tasks. It was therefore essential that the management training programme currently under way should be continued and reinforced in the coming two years.

28. The first phase of efforts to identify efficiency gains, reflected in his proposals before the Fifth Committee, had taken various forms: the simplification of administrative procedures, the rationalization of work programmes, the improvement of productivity through investment in technological innovations, and reductions in external printing and travel costs, consultancies, supplies, equipment and general operating expenses.

29. He was committed to ensuring cost-effectiveness, enhancing administrative efficiency, strengthening accountability and eliminating waste. Where there was duplication or overlap of activities - or where activities had lost their relevance - he would present recommendations to the General Assembly for appropriate action. He would continue to make every effort to ensure cost containment.

30. In his annual report on the work of the Organization, he had reiterated his firm commitment to Secretariat reform and to improving the efficiency and effectiveness of the Organization. He had integrated the reform measures under way in a comprehensive management plan. The proposals currently before the Fifth Committee should be viewed as an integral part of that reform effort. Their implementation in the next biennium, and further progress towards the creation of a mission-driven and result-oriented organization, would not, however, be possible until and unless the financial soundness of the Organization was restored.

31. Outstanding contributions to the regular budget for the current biennium amounted to almost $803 million. Outstanding contributions to peace-keeping operations amounted to $2.5 billion. Thus, outstanding contributions amounted in total to $3.3 billion.

32. While pursuing his efforts with Governments which were late in paying their contributions, he had also taken a new initiative in inviting certain Governments to agree, on a voluntary basis, to be assessed at the same rate for peace-keeping operations as for the regular budget. Although he had received some positive responses - and he would like to thank those Governments that had responded - the overall situation remained very difficult.

33. In August 1995, the regular budget had run out of cash and to cover regular budget expenditures through September, $125 million had had to be borrowed from peace-keeping operations. It was absolutely critical that those Member States with outstanding contributions should make the necessary payments; otherwise, the amount which would have to be borrowed from peace-keeping operations to cover regular budget expenditures would continue to grow.

34. That meant that the Organization would have to delay even further the reimbursements to troop contributors and the payment of letters of assist to Governments. The United Nations currently owed more than $900 million to Member

States for troop costs and equipment. Many of those States were developing countries which required United Nations assistance. In the current instance, however, the Organization was borrowing from them without interest. If that situation continued, the amount owed to Member States would, it was estimated, reach more than $1.2 billion by the end of the year, and peace-keeping operations would be in great danger. That situation could not continue.

35. He had taken steps to conserve cash within the Secretariat. Those cost-saving measures could not, however, substitute for full payment of assessed contributions by Member States. He could not overemphasize the importance of Member States paying their outstanding contributions as soon as possible.

36. Ten years earlier, on the occasion of the fortieth anniversary of the Organization, his predecessor had made a statement to the Fifth Committee in which he had said that his greatest hope was that, in the years ahead, Governments would be able to work together in a United Nations assured of the financial soundness which it required.

37. Ten years later, as the Organization celebrated its fiftieth anniversary, that hope remained unfulfilled. The financial situation of the Organization had only become bleaker. The management of the financial crisis risked detracting attention and resources and might jeopardize the reform process under way. That situation increasingly rendered the efficient management of the Organization an impossible task. The very viability of the Organization might be at risk at that very moment.

38. Progress in the reform of the intergovernmental machinery was another condition for the reform measures already introduced at the Secretariat level to bear fruit. Such progress was facilitated by the definition of a political framework and substantive objectives. Through his reports entitled "An Agenda for Peace" and "An Agenda for Development", he had endeavoured to contribute to such a definition. All must work together to ensure that the various processes under way in that regard were conducted in a mutually supportive manner and led to concrete results.

39. The effectiveness of the Organization depended on the performance of its staff. Thus, another key factor for the success of the reform effort was the restoration of competitive conditions of service. The Organization must be able to attract and retain staff of the highest calibre. He hoped that the deliberations of the General Assembly at its current session would advance that important objective.

40. He was convinced that, with the support and assistance of all Member States, the changes currently taking place within the Organization could succeed in making the United Nations a more focused and effective tool in the service of all humanity.

41. He trusted that his proposed programme budget for the biennium 1996-1997 reflected the mandates received from Member States and their concerns expressed in different forums about the challenges ahead, priorities and cost containment. He commended the proposed programme budget for the Committee's approval.

42. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the first report of the Advisory Committee on the proposed programme budget for the biennium 1996-1997 (A/50/7), welcomed the timely submission of the budgetary estimates, which had facilitated their examination and the preparation of the first report of the Advisory Committee. He was also grateful for the additional information supplied orally and in writing by the representatives of the Secretary-General and commended the Secretariat for having implemented a number of the Advisory Committee's recommendations on the structure and format of the budget document, particularly part I, which had been considerably shortened and made self-contained.

43. In his foreword to the proposed programme budget, the Secretary-General had indicated that he had responded to the call by Member States to do more with less. He had therefore proposed an initial budget which represented a resource reduction of 3.8 per cent compared with the revised appropriations for 1994-1995 and was also lower than the 1996-1997 outline approved by consensus by the General Assembly. On the basis of the existing mandates and the related current level of United Nations activities, the Advisory Committee had concluded that the proposed estimates were realistic and, as stated by the Secretary-General, cost effective. Indeed, in the area of conference services, it was obvious to the Committee that demand exceeded the estimated capacity.

44. The estimates for 1996-1997 had therefore been accepted by the Advisory Committee with minor modifications. The difference between the estimates just introduced by the Secretary-General and the recommendations of ACABQ was about $18 million gross. Included in that figure were proposals which ACABQ might reconsider on the basis of up-to-date information, as requested in its report, or after receiving studies that had already been under way or planned at the time of the Advisory Committee's review of the budget.

45. The initial estimates involved the abolition of 223 and the establishment of 92 posts (61 new posts, 5 conversions from general temporary assistance and 26 proposed for transfer from the support account for peace-keeping operations). For reasons explained in its report, ACABQ had accepted the bulk of the new posts requested in the Professional category and some support posts.

46. The starting-point in preparing the estimates for 1996-1997 was the revised appropriations for 1994-1995; the overall level of resources, however, had been based on the outline for the next biennium. Once again, in 1995, the Committee would face a challenge as old as the United Nations. In its current form, that challenge was one of the questions emerging from the crisis of 1964 over the applicability of Article 19 of the Charter; it related to the respective roles of the Secretary-General and the Member States in determining the level of the budget of the Organization. The outline was a compromise answer that had developed over a period of 30 years and it was essential to understand its meaning and implications in order to keep a clear mind during the coming debate.

47. Over the years, a view had developed that Member States should instruct the Secretary-General to prepare a budget on the basis of an overall resource amount proposed by them. A number of Member States had shared the perception that the growth of United Nations budgets as proposed by the Secretary-General could not be sustained in view of the financial constraints faced by Member States in

their own national administrations and the pressure placed on them by their legislatures to adopt maximum restraint in budget growth in the United Nations and its agencies. Others had believed that the Secretary-General, as chief administrative officer of the Organization, should submit a proposal based on his view of what he would require to implement the mandates entrusted to him by Member States.

48. The planning estimate called for by the General Assembly in resolution 2370 (XXII) of 19 December 1967, the unsuccessful attempt to have a medium-term plan with indicative planning figures and the very introduction of a two-year programme budget had been attempts to reconcile the two views.

49. The outline concept was another attempt to reconcile those approaches. That concept provided that, before the Secretary-General prepared his budget, Member States should first be consulted and their agreement sought on the likely level of resources they would be asked to contribute. That solution, as embodied in resolution 41/213 (including the establishment of the contingency fund procedure), met the criterion of prior consultation; the hope in 1986 had been that, once the outline had been agreed to by consensus, future criticism and possible rejection of the subsequent level of resources proposed by the Secretary-General for the budget would be avoided. Indeed, the three elements of resolution 41/213, namely, the outline, the contingency fund procedures and the consensus desiderata, had been very successful in virtually stopping what had formerly been described as the uncontrolled growth of regular budgets; the size of the regular budget had been contained and, compared with peace-keeping and extrabudgetary operations, the regular budget was relatively small.

50. A certain amount had been included in the estimates to allow for currency fluctuations and inflation. For years, ACABQ and the Fifth Committee had considered how best to treat the additional resources required to cover currency fluctuations and inflation. Studies carried out by ACABQ had revealed that various ways were employed by the United Nations system to deal with that issue, including the request for supplementary funding, the establishment of special accounts and reserves and, especially where amounts were manageable, absorption through postponement and the reordering of priorities. In resolution 41/213, the General Assembly had decided by consensus that, although every effort should be made to absorb inflation and currency costs without any adverse impact on programme delivery, United Nations budgets should continue to be adjusted for currency and inflation pending a comprehensive solution of the issue. The proposed programme budget for the biennium 1996-1997 had been prepared in accordance with the provisions of resolution 41/213.

51. The estimates relating to human resources covered staff on permanent and fixed-term contracts, temporary staff hired for varying durations of time, consultants, contractual personnel and expert groups. The services provided by the total number of posts shown in the staffing tables were therefore supplemented by a number of non-post personnel, consultants and experts.

52. The Advisory Committee had made a number of comments and recommendations concerning personnel matters. The method of calculating staff costs would have to be refined to ensure that the standard costs used for that purpose were realistic. The refinement should include careful monitoring of such elements as

common staff costs. It should also result an improvement in the current allotment system, which had for years attracted criticism from both the Advisory Committee and the Board of Auditors. Improved monitoring would allow the Secretariat to have up-to-date information for the purpose of establishing realistic standard costs for the preparation of the budget. Since the Organization was proposing to spend up to $70 million for the Integrated Management Information System, past management problems in that area should be eliminated.

53. The grading pattern in a number of departments needed to be revised, particularly in the political area, where the Advisory Committee had found evidence of excessive overgrading. To that end, there was a need to revise and improve the nomenclature and criteria for developing Secretariat structures. The Advisory Committee had encountered such terms as "clusters" and programme implementation by thematic groups and task forces. Unless common standards were used in programme implementation and unless programme managers were identified and held accountable, the Advisory Committee was concerned at the potential for duplication and for less than optimum use of resources.

54. The priority currently given to reforming the personnel management system by the introduction of modern personnel management methods was commendable, but, in the implementation of a number of proposed reformed measures, it was important to avoid creating new problems for the Organization. The efficiency of the implementation of the new personnel performance appraisal system should be monitored carefully and, if necessary, action should be taken to streamline it so as to avoid creating a costly bureaucracy, exacerbated by innumerable meetings of staff, supervisors, managers and management review committees. Disagreement over the implementation process and the quality of performance ratings might clog an internal justice appeal system which was already seriously flawed.

55. The Advisory Committee was preparing a report on the reform of the system of justice; on that matter and on the performance appraisal system, he said that criticism from the ACABQ should not be regarded as coming from individuals afraid of change. Since 1981, ACABQ had been calling for a reform of the internal system of justice and many of its recommendations had been instrumental in reducing the backlog of cases. In reforming the current system for the administration of justice, it was important to avoid establishing mechanisms which would be more costly, whether directly or indirectly, than the current system.

56. The reduction in the number of established posts should not lead to the emergence of a new procedure whereby funds intended for general temporary assistance were used to establish a type of "floating" Secretariat with individuals hired intermittently or continuously with short breaks in between. There was a need for greater transparency in the recruitment of short-term personnel, and guidelines should be established to define much more clearly the circumstances and criteria for the recruitment of short-term staff who performed continuing functions and therefore needed to have their positions reflected in the staffing tables of the Secretariat units concerned.

57. Training programmes must be carefully designed to address specific issues the solution of which through training would enhance the Organization's capacity to implement its mandates. There should be a carefully planned early separation programme and care should be taken to ensure that those who took advantage of the programme were not the individuals whom the United Nations could least afford to lose. New recruitment procedures that appeared to be emerging and the contracting out of various services should take account of the special nature of the United Nations as an international organization with 185 Member States; whatever the merits of such procedures at the national level, they must be carefully tailored to meet the special needs of the United Nations.

58. The direct cost of common support services budgeted under Part VIII accounted for about 35.5 per cent of the estimate for 1996-1997. However, substantive Secretariat units also provided support. The Advisory Committee had welcomed the increased productivity resulting from the introduction of new technology in such areas as document processing and production, remote translation and communications. In its first report, the Advisory Committee, had commented extensively on the United Nations publication programme and had called for the effective involvement of intergovernmental bodies in the review of the publication programme when the formulation of the medium-term plan was under way or when the work programme was being considered for inclusion in the proposed programme budget.

59. In view of the introduction of computer technology, the productivity of support services and the number of support staff should be studied. The system of workload indicators, which was fairly advanced in the conference services area, should be enhanced and extended to other parts of the Secretariat. There was a need to improve and streamline procurement services, a subject the Advisory Committee would report on separately. In the area of communications, planned projects in the United Nations should be coordinated effectively with those being developed for United Nations funds and programmes and for the United Nations system as a whole in order to avoid the establishment of costly and incompatible communications systems.

60. As in the past, the Advisory Committee had spent a considerable amount of time inquiring about the extrabudgetary resources included in the budget estimates. The bulk of those resources, some $3,725.7 million out of the total of $4,434.5 million, pertained to programmes which had their own governing bodies to which ACABQ reported. The Advisory Committee welcomed the refinements in the presentation of the estimates for extrabudgetary funds, but believed that more needed to be accomplished. In particular, the narratives in the budget still lacked a clear definition of the activities to be carried out and their effect on programme priorities.

61. The management of trust funds also needed improvement. During its review of the budget, ACABQ had noted numerous instances where interim accounts for trust funds showed negative balances indicating excess expenditure over income received during the reporting period. The Advisory Committee had also noted many cases where general fund resources had been used to start the implementation of trust fund activities pending receipt of contributions. It had been the consistent view of the Advisory Committee that at all times obligations should not be entered into unless income was assured and attainable.

62. The appointment of short-term staff and consultants should follow the same rigorous procedure applicable to regular budget activities. There should be a fair charge to trust funds and other extrabudgetary resources of the cost of managing and administering those funds, thereby avoiding subsidy by the regular budget. The Secretariat was requested to develop uniform reporting standards to satisfy reporting requirements by donors, standards which should alleviate excessive and repetitive demands for reports. Where donor conditions were contrary to the financial and personnel regulations of the United Nations, the United Nations regulations must prevail regardless of the level of resources being given. Finally, the experience of the Advisory Committee in reviewing peace-keeping budgets led to the conclusion that it was essential to designate qualified United Nations staff who knew United Nations rules and procedures to manage, supervise and monitor the implementation of trust fund activities including emergency and humanitarian activities at Headquarters and in the field.

63. The Advisory Committee had submitted a separate report with its comments on the proposed format of the medium-term plan. The experience of the United Nations with forward planning had had mixed results and, in view of the current debate on further reform and restructuring of the United Nations, it was uncertain what kind of plan the General Assembly should consider at the fifty-first session. The complex intergovernmental machinery and decision-making process in the United Nations had been one of the greatest challenges to forward planning. The mandates and activities and related Secretariat structures of the United Nations had not grown in accordance with an overall pre-determined plan. Rather, the Organization had reacted over the years to the perceived global priorities as articulated by Member States in various fora. Such perceptions had been articulated largely in conferences, summits and other convocations the results of which were mandates, programmes of action, system-wide plans of action, and development decades and their related secretariat structures and intergovernmental machinery. Unless agreement was sought on the role that those global intergovernmental directives should play in the preparation of medium-term plans, the past frustrations in planning would continue into the twenty-first century.

64. The fiftieth anniversary of the United Nations was taking place amidst intense discussions about the Organizations's future. Reform proposals had been made covering practically every aspect of the Organization. To assist in the upcoming debate on change and reform, the Advisory Committee had commented and submitted recommendations in its first report on a number of areas in the administration and management of the Organization. The Advisory Committee had noted the intention of the Secretary-General to conduct phases two and three of his review of the activities of the United Nations and had expressed its trust that such economies as might be identified would be achievable without compromising the Organization's ability to carry out fully all the mandates entrusted to it by the competent intergovernmental bodies. Should the Secretary-General be of the view that certain activities should be reordered so as to achieve the desired level of savings, it was incumbent on him to make the necessary programmatic proposals to the General Assembly.

65. The United Nations was currently going through a period when the need for change and renewal had never been more clearly perceived. As the Organization

embarked on the tasks ahead of it at the current historic session of the General Assembly, it was important also to recall the many accomplishments of the past so as to benefit from the wisdom of collective experience. After all, the Organization had been evolving and reforming itself for much of its 50 years. Most importantly, in the search for a more efficient and responsive United Nations, its unique character and mission and its grand and noble design embodied in the Charter must always be borne in mind.

66. Mr. TUDOR (Chairman of the Committee for Programme and Coordination), introducing the report of the Committee for Programme and Coordination (CPC) on its thirty-fifth session, said that the Committee had carefully reviewed its mandate and role as a principal subsidiary organ of the Economic and Social Council and the General Assembly. The Committee considered that it should be informed of the views and decisions of the Council regarding reports that it submitted in accordance with its mandate. It stressed the need for an adequate follow-up by the Council and its respective intergovernmental bodies. The Committee considered that there should be careful preparation of joint meetings of CPC and the Administrative Committee on Coordination (ACC) and that the structure and content of such joint meetings should therefore be determined in advance. Dialogue needed to be encouraged through in-depth discussions as opposed to orally delivered prepared statements.

67. The Committee expressed appreciation for the efforts made by the Secretary-General to present a programme budget on time and took note of the new features in the format of the budget. The budget included a self-contained part one, which gave a comprehensive picture without requiring reference to individual budget sections. New features included summaries of each budget section, additional information on expenditures for the biennium 1992-1993 and information on extrabudgetary expenditures and projections by object of expenditure.

68. The Committee noted that the total amount of resources requested by the Secretary-General was below the level determined in the programme budget outline for the biennium 1996-1997 which had been adopted under General Assembly resolution 49/217. It welcomed the fact that the savings achieved through improved productivity were higher than those that had been anticipated in the programme budget outline. It also noted the Secretary-General's assurances that the reduction in resources would in no way affect the implementation or the quality of all mandated programmes and activities.

69. The Committee recommended in its report that proposals for provision of resources in the programme budget for 1996-1997 should be derived from the medium-term plan for the period 1992-1997, as revised, and legislative mandates adopted subsequent to the adoption of the medium-term plan or its latest revisions. The Committee had arrived at a consensus that the substantial decrease in the level of resources provided for under the proposed programme budget should be achieved as far as possible through greater efficiency and vastly improved productivity. That should apply to all programmes and efforts should be made to achieve better coordination between various departments and improve the management of human resources.

70. CPC was recommending to the General Assembly that it should approve the narratives of the majority of the sections of the proposed programme budget for the biennium 1996-1997. In view of the differences of opinion expressed with regard to some sections, CPC was unable to recommend to the General Assembly that it should approve the narratives of sections 8 (Department for Economic and Social Information and Policy Analysis), 9 (Department for Development Support and Management Services), 13 (Crime control) and 21 (Human rights). The Economic and Social Council had been unable to resolve those differences at its summer 1995 session, and consequently the Fifth Committee and the General Assembly would have to continue to review those questions and take final decisions on them.

71. CPC had expressed appreciation for the quality and comprehensive nature of the report of the Office of Internal Oversight Services on the in-depth evaluation of the programme on environment. It had endorsed the recommendations in the report, and was in general agreement with its main thrust, which was to refocus the activities of the United Nations Environment Programme (UNEP) by strengthening its partnership with other organizations within and outside the United Nations system.

72. CPC had expressed satisfaction with the final report on the in-depth evaluation of peace-keeping operations: start-up phase. It had endorsed the majority of the recommendations and had concluded that some of them needed to be examined further by the relevant intergovernmental bodies, as well as by the Special Committee on Peace-keeping Operations.

73. CPC had taken note of the annual overview report of the Administrative Committee on Coordination (ACC) and the report of the Joint Meetings of CPC and ACC. It had welcomed the emphasis placed by ACC of policy issues pertaining to system-wide coordination, had encouraged ACC to continue its efforts to promote greater coherence in the development work of the system, and had stressed the need for the documentation to focus better on coordination issues of primary concern to CPC.

74. CPC had recognized the merits of an approach to coordination that was based on a division of labour among the different organizations and agencies of the United Nations system, and had emphasized that the General Assembly was the central policy-making forum within the United Nations system. CPC had also emphasized that enhanced coordination should lead to greater cost-effectiveness and improved programme delivery.

75. CPC had agreed that the conclusions and declarations of recent major conferences and international events should be followed up in a coordinated manner within the context of an integrated approach, and had welcomed the initiatives taken by the Secretary-General and ACC in that regard.

76. CPC had agreed to propose that the theme for the next series of joint meetings of CPC and ACC should be "Coordination of the activities of the United Nations system for the eradication of poverty".

77. CPC had stressed the importance of continued attention on the part of the Secretary-General, including in his capacity as Chairman of ACC, to efforts of

assistance to countries invoking Article 50 of the Charter of the United Nations. It had requested that the ACC overview report should continue to provide detailed information on assistance by the United Nations system to those countries.

78. CPC had stressed the need for concrete actions in support of African development. It had been emphasized that the decline in official development assistance flows to many African countries should be reversed, and Member States had been urged to fulfil their financial commitments and pledges. CPC had further urged that the freeze on the growth of the budgetary expenditures of the United Nations should not affect adversely the development projects for Africa.

79. CPC had stressed that there was an imperative need to place the organizations of the system on a more assured financial basis, and had suggested that Member States should recommit themselves to paying their assessments in full, on time and without conditions.

80. CPC had reviewed and endorsed the reports of the Joint Inspection Unit (JIU) entitled "Review and assessment of efforts to restructure the regional dimension of United Nations economic and social activities" and "Communication for development programmes in the United Nations system", while noting the views and reservations expressed during the discussions.

81. Discussion at the thirty-fifth session of CPC had underlined the importance that Member States attributed to the revitalization of many of the Organization's activities. CPC was more ready than ever to discharge its function as a principal subsidiary organ of the Economic and Social Council and of the General Assembly. Despite the differences among the positions expressed during the discussions, CPC had been able to arrive at a consensus on its conclusions and recommendations. There was much the United Nations system could do to help Member States ensure the well-being of their peoples. Better coordination and improved planning, oversight and evaluation tools, resulting from the reform and renewal of the United Nations would help to make the Organization a more suitable and effective instrument for execution of the mandates of the General Assembly.

82. Mr. MUÑOZ (Spain), speaking on behalf of the European Union, Bulgaria, Cyprus, the Czech Republic, Latvia, Lithuania, Malta, Romania, and Slovakia, said that the European Union noted with satisfaction that the proposed budget programme for the biennium 1996-1997 had been submitted within the period specified in the Financial Regulations, thus allowing CPC and the Advisory Committee to complete their reports with enough time to give that important issue the attention it deserved.

83. The European Union recalled that the review and approval of the budget, a process of the utmost political importance in any organization, would prove meaningless if the Member States did not show a clear political will to fulfil their financial obligations in full, on time and without conditions. Such a lack of will jeopardized the fulfilment of the mandates of the Organization, as was currently being witnessed. Nevertheless, it was necessary to face up to the stark reality that as of 31 August 1995, only 67 Member States had paid their regular budget assessments in full, and there was great uncertainty about what

income would be available for the following year. In that context, the European Union wished to point out that the current scale of assessments for the period 1995-1997, established by General Assembly resolution 49/19 B, had been adopted by consensus, and the European Union also recalled that it had made several proposals concerning incentives and disincentives to promote the payment of assessed contributions in full, on time and without conditions, as well as proposals to improve the scale of assessments so that it better reflected the principle of capacity to pay.

84. The European Union noted with satisfaction the clear improvement in the methodology employed in the preparation of the budget, both with regard to the participation of the managers responsible for programmes during the elaboration process, something which undoubtedly promoted their responsibility for the fulfilment of objectives within the means at their disposal, as well as with respect to providing more complete, detailed and easily understood information than that submitted in previous budgets. In that context it welcomed the improvements in format, particularly regarding part I and the summary of sections included therein. The information regarding extrabudgetary resources, which had also been improved, gave a clearer picture of the total resources needed to carry out the work of the Organization.

85. The Union called for continued efforts in the presentation of the proposed budget, for example, greater involvement of the United Nations specialized agencies in the budget process and information on the use of the contingency fund, as well as providing organizational charts of the Secretariat and performance indicators of the different activities. The European Union also viewed positively the Secretary-General's three-phase approach aimed at enhancing the efficiency and the performance of the Organization.

86. The Secretary-General had set out on the right path. Making the United Nations function in a more rational and cost-effective way should be part of a continuous process. His delegation looked forward to the implementation of phases II and III, which aimed to eliminate activities that overlapped or were deemed of minimal or no value. In that regard, he would like to have information from the Secretariat on the current timetable for those two phases, which should be carried forward promptly.

87. Duplication of effort within the Secretariat and the system was a problem that needed to be addressed urgently. Those who were directly involved - the administrative and executive heads of departments, programmes and agencies - could best propose how the elimination of duplication and the coordination of activities could be achieved in the interest of carrying out the mandates which the Member States had defined in various forums. The job of identifying the most efficient way to carry out mandates and tasks fell fully within the framework of accountability and responsibility demanded of programme managers.

88. The proposed budget, totalling $2.51 billion for the biennium 1996-1997 before recosting (and without taking income into account), represented negative growth from the revised budget for 1994-1995. Furthermore, that amount was slightly less than that given in the mandate set forth in General Assembly resolution 49/217, which had adopted the proposed programme budget outline for the biennium 1996-1997. The European Union noted with appreciation the

efficiency savings in the proposed budget and the firm intention to continue to scrutinize activities for further savings.

89. With regard to the proposals included in the introduction to the proposed budget, the Union supported the main positions or priorities for action defined by the Secretary-General. He noted that, in addition to the proposed programme budget for 1996-1997, there would be expenses for ongoing and new "ad hoc" missions and was concerned by the fact that in the proposed budget no amount had been included under the heading "ad hoc missions", in order to finance the Secretary-General's activities in the field of preventive diplomacy and peace-keeping, especially if one took into account the fact that preventive diplomacy constituted one of the Organization's priorities and that, as the Secretary-General indicated in the introduction to his proposal, the volume of activities in that area would not substantially change in upcoming years.

90. The European Union considered that the increase in resources for the promotion and protection of human rights would have a positive effect on activities aimed at promoting development. In that respect, he hoped that the effort made to increase the level of resources for that priority and the study on the restructuring of the Centre for Human Rights would enable the Committee to debate the question and adopt the most appropriate decisions for strengthening and streamlining that activity. He continued to believe that the overall proportion of the programme budget devoted to human rights remained inadequate and did not reflect the priority which should be attached to that area.

91. Another planned priority that needed financial support was that relating to oversight mechanisms and internal supervision. The proposed budget increased the resources assigned for that purpose by approximately one third compared with the current budget, which the European Union hoped would be the first step towards strengthening those activities. The reports of the Office of Internal Oversight Services should be an effective tool for adopting decisions making it possible to improve the Organization's efficiency.

92. The European Union also supported the proposals to reinforce the Organization's capacity in preventive diplomacy and peace-keeping operations, particularly in the planning and launching of such operations.

93. In conclusion, the European Union would like to express its full readiness to work together with other delegations to reach a consensus which would make it possible to approve a restrained budget to be managed responsibly and efficiently and ensuring the effective implementation of the Organization's mandate.

94. Mr. FOWLER (Canada), speaking also on behalf of Australia and New Zealand, expressed satisfaction that the budget proposals were not only complete and in a much improved format but had also been issued in May of the current year, which had enabled the Committee for Programme and Coordination to consider them at its thirty-fifth session in the spring and had provided delegations with the opportunity to give them the careful study that they deserved.

95. That achievement was due in large measure to Mr. Connor, the Under-Secretary-General, and his team, which in 1995 had instituted a new system of accountability and transparency in the Secretariat, thus paving the way for the introduction of more efficient, accountable and responsive management. His delegation was encouraged by the efficiency gains realized thus far since those gains, in the proposed budget before recosting, would result in an initial appropriation in 1996 lower than the final appropriation for 1994-1995. He was also encouraged by the resolve of the Secretary-General to strive for further efficiency in subsequent phases.

96. Canada was glad to note that, in accordance with General Assembly resolution 48/228, the proposed budget contained information on actual expenditures for the biennium 1992-1993 and vital information on extrabudgetary resources. While those were welcome improvements, another requirement under the resolution was the inclusion of forecasts to the end of the current biennium. That was also vital information and he hoped that it would be provided by the Secretariat in the course of the deliberations. He also stressed that he remained uncomfortable with the existing recosting methodology and the lack of transparency in its presentation. That opinion was reinforced by the comments of the Advisory Committee on the subject and he would be seeking further information in that regard. His delegation was also seriously concerned about the possibility of large increases due to recosting. Some portion of those increases, including those due to exchange-rate fluctuations, must be absorbed.

97. Canada supported the overall priorities set out in the proposed budget, in particular the proposed increases for peace-keeping operations and preventive diplomacy, enhanced international cooperation for development, human rights and humanitarian assistance, and the Office of Internal Oversight Services. The demands of peace-keeping operations and special missions continued to grow in both volume and complexity and the proposed resource levels were no more than appropriate. The situation continued to be complicated, however, by the multiplicity of funding mechanisms. In that regard, his delegation continued to support the transfer of professional positions from the peace-keeping support account to the regular budget, as recommended by the Secretary-General.

98. With regard to human rights and humanitarian assistance, there could be no doubt about the urgency and importance of the needs to which those programmes responded. The workload of the Centre for Human Rights continued to increase and so must the resources devoted to it. Canada was glad to note that the Centre had taken steps to improve its management structure. Nevertheless, he recognized the need for the further improvement of management and administrative practices and would continue to contribute to that effort.

99. The Office of Internal Oversight Services had already shown how valuable it could be to the Fifth Committee's deliberations; the delegations of Australia, New Zealand and Canada would be referring extensively to the Office's reports during consideration of the proposed budget and would support fully the proposed staff increases.

100. It must be understood that there were severe constraints on the resources available for international organizations. Many Governments, including those of Australia, New Zealand and Canada, were facing difficult budgetary decisions.

They had had to learn to live with expenditure reductions in real terms while maintaining priority programmes. International organizations were subject to the same pressures and must meet the same challenges as National Governments. The United Nations must focus on key objectives and reduce overhead spending in order to protect priority programmes. The point had been reached where Governments could no longer bear the burden of increasing budgets for international organizations while their own were being cut back. Hence, the budgets of international organizations must be subject to the same rigorous scrutiny and accountability as shrinking national government budgets. There was a pressing and unavoidable need for the United Nations to marshall its scarce resources more effectively, since resources for new or increased activities must be found primarily through efficiency gains. There simply was no other option if the confidence of Governments and the public was to be restored in the United Nations, and the Organization itself put on a sound financial footing. As the Secretary-General had stressed, the Organization's financial crisis was crippling its effectiveness and its credibility.

101. The challenge of increased efficiency demanded that programme managers and staff should join the management to find ways of doing their jobs more efficiently. Canada shared the Advisory Committee's view that there was a need to strengthen coordination between secretariat units with a view to achieving a better use of resources. Work practices should also be re-examined. The Advisory Committee had suggested some ways in which work practices could be modified to produce the same or better output with lower administrative and staff overheads. The Committee thought that it could achieve "productivity gains that can be realized as the result of technological innovations, review of publications programmes, strict control of expenditures on travel and consultants, and the possibility of greater accuracy in forecasting costing standards".

102. In that connection, his delegation was concerned by the following statement in section 26 E, paragraph 31, of the proposed budget: "While the use of office automation equipment to assist translators will enhance the quality of their work, no immediate gains in productivity are anticipated". That was not satisfactory to his delegation, which, while it did not expect immediate gains, did regard increased productivity as the principal goal and justification of the large sums being spent on office automation, and expected to see significant productivity gains realized reasonably quickly in all areas where that investment had been made.

103. There were many steps that the Organization could take to increase efficiency and reduce costs without impairing programmes. In that connection, his delegation strongly supported the proposal for an efficiency board put forward by the Secretary-General, and was prepared to contribute with expertise and personnel to get it started soon. One of the efficiency board's first tasks should be serious scrutiny of the Organization's publications policy, which was long overdue. As the Advisory Committee noted in its report, publications policy had been one of its concerns for many years. All aspects, including the harmonization of print and electronic publication, should be reviewed and rationalized.

104. The budget should be used to do more than set levels of appropriations for the next biennium. It should be an instrument to encourage more efficient programme delivery, through reduction of administrative and overhead costs. It should allow flexibility through re-allocation of resources to higher-priority programmes and activities; encourage clarity of objectives, priority-setting, strategic plans and evaluation of results; and contribute to the elimination of duplication and overlap, within the Organization itself, and between it and other agencies. For example, the ratio of General Service staff positions to positions in the Professional category and above in the United Nations Secretariat was significantly higher than in most of the specialized agencies. He expected that savings, of the order of $100 million per biennium could be achieved if the Secretariat's ratio were reduced to the level of some of the specialized agencies.

105. Canada was concerned by apparent divergences between the costs of conference services in New York and Geneva. Its analysis indicated that if Geneva's printing service were as efficient as New York's, conference costs could be reduced by $12 million per biennium. Additionally, it appeared from the information provided in the Advisory Committee's report that further economies in conference services were conceivable, although assurances would be needed that quality standards would be maintained and that the contracting process would be fully transparent.

106. The Executive Offices in the Secretariat had a budgeted cost of $100 million for 1996-1997 with staff of over 450. The introduction of advanced information technology would make it possible to reduce that number considerably.

107. It was important to consider those budget proposals in their broader context. The proposed net biennial appropriations added up to about $2.3 billion after initial recosting. That was an imposing figure, and needed to be scrutinized carefully. However, it should not be forgotten that the programme budget of the United Nations amounted to only about six cents for each thousand dollars of world income. That minuscule figure had to be set against the value of the Organization to the world community.

108. In most Member States, once the Government's appropriations had been approved, the Government could proceed to spend the full appropriated amount. The Secretary-General had no such luxury. His expenditures were limited not by the amounts appropriated, but by the amounts actually contributed, which fell woefully short of what was needed. At the end of August, little more than one third of Member States had paid their assessed contributions to the current year's regular budget, and those contributions had been due at the end of January. The contribution of the largest contributor had still not been received, and it accounted for nearly 70 per cent of what was still owed for the current year.

109. It was unacceptable that Member States, some of which were among the richest countries in the world, should evade their financial obligations to the United Nations, especially considering that a number of the poorest countries in the world met their payments in full and on time. Indeed, of the 67 Member States that had met their regular budget obligations to the United Nations fully

by 31 August 1995, 35 were developing countries, including several of the poorest. Unfortunately, 62 others had made no payment at all. Around 90 countries still owed money from previous years, including several members of the Security Council. The majority of Member States appeared content to approve programmes, appropriations and assessments without honouring the obligations to which they were committed. That was unacceptable and could not be allowed to continue.

110. A process was being embarked upon that would lead to the approval of more appropriations and assessments. Australia, New Zealand and Canada expected that all Member States would honour the obligations thus incurred in full, on time and without conditions. As Canada's Prime Minister had recently said in Toronto, Governments were growing tired of "UN-bashing", especially when it came from those who were not paying their bills. The fact that there were problems did not let Member States off the hook. Good global citizenship required all countries to pay their fair share in full, on time and without conditions, as Australia, New Zealand and Canada did. Their Governments took a very strong view of that. They believed that their record allowed them and others in the same position to argue that renewal of the United Nations system must go hand in hand with the faithful discharge by each Member State of all of its obligations under the Charter.

111. Mr. OWADA (Japan) stressed that the United Nations seemed headed for a real financial crisis, which could threaten the very viability of the Organization. The Under-Secretary-General for Administration and Management, in his statement to the Fifth Committee on 12 September, had warned of the magnitude and urgency of the cash-flow problem that the United Nations was facing. According to the Under-Secretary-General, when the regular budget had run out of cash in mid-August, it had become necessary to make a temporary transfer of cash from the funds for the peace-keeping operations in order to maintain such activities as the regular budget was supposed to cover. The volume of resources that would have to be diverted was expected to rise rapidly, and that would only be possible if repayments to the countries contributing troops and equipment to peace-keeping operations continued to be deferred.

112. If the Member States wished the United Nations to become a more effective and efficient organization, they must in turn provide sufficient resources, in accordance with their obligation under the Charter. Japan agreed with the Under-Secretary-General that whatever cash-saving steps the Secretariat might take, it remained essential for the Member States to pay their assessed contributions in full and on time.

113. Japan attached great importance to the High-level Open-Ended Working Group on the Financial Situation of the United Nations, and was fully prepared to cooperate in working out a solution, provided that it would be a comprehensive package of measures including, for example, measures to ensure full and timely payment of assessed contributions by all Member States and a decision to adopt a new scale of assessment which would be fair and equitable.

114. Concerning the proposed programme budget for the biennium 1996-1997, Japan was pleased to note that the early submission of the budget proposal by the Secretariat had made it possible for the Fifth Committee to engage in an

exhaustive discussion of many salient issues involved in the new proposed budget. The improvements in the manner in which the budget was presented would certainly facilitate discussion.

115. Japan offered its high praise for the very positive results that the Secretariat had achieved in seeking economies. The proposed budget, before recosting, represented a reduction of 4 per cent from the revised appropriation for 1994-1995. The Secretariat had also succeeded in bringing the resource level of the budget down below that of the budget outline for 1996-1997 that had been approved by the General Assembly in 1994. He welcomed the Secretariat's efforts in the budget formulation process to realize maximum cost-effectiveness through rationalization of activities and various efficiency measures. He pointed out that lowering the budget resource level had been made possible as a result of intensive hearings conducted, for the first time, with the full participation of all the programme managers in a broad range of departments and agencies.

116. While commending the Secretariat's efforts to control the budget, his delegation believed that a further reduction, primarily in administrative costs, should be pursued in order to trim the bloated and inefficient United Nations bureaucracy. Many Governments, including Japan's, were making serious efforts to rationalize their own budgets, while paying their contributions to the United Nations, despite their difficult financial situations. The United Nations also should adopt the necessary measures, taking care, however, not to undermine its capacity to carry out its mandates.

117. In a longer perspective, Member States should review each and every programme with a view to eliminating those which had lost significance and were redundant, and reordering priorities among those that remained. He encouraged the Secretariat to continue to search for ways of achieving efficiency in the second and third phases, and hoped that the newly established efficiency task force would produce significant results in a speedy manner. The task force's estimates of potential savings from improved efficiency should be reflected in the budget in due course. It was hardly necessary to point out that the programme review and rationalization process should be conducted in close coordination with the Member States and the Secretariat.

118. The paramount goal of the Member States should be to ensure a realistic and practical budget, and that it truly served the purpose of enabling the United Nations to live up to the expectations of the international community. It was essential to do everything to strengthen, and nothing to undermine, the Organization, which played such a critical role in the present-day world. It should be pointed out that reducing the budget was not an end in itself; it was a means of streamlining and strengthening the United Nations.

The meeting rose at 5.30 p.m.

UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
4th meeting
held on
Tuesday, 10 October 1995
at 10 a.m.
New York

SUMMARY RECORD OF THE 4th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order 10.10 a.m.

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (A/49/897; A/50/11)

1. Mr. ETUKET (Chairman of the Committee on Contributions), introducing the report of the Committee on Contributions on its fifty-fifth session (A/50/11), said that, after conducting a comprehensive review of the scale methodology, as requested by the General Assembly in resolution 48/223 C, the Committee on Contributions had decided that more careful reflection was needed on the various issues involved and that the review should thus continue at its next session. It intended to submit a final report to the General Assembly before the end of its fiftieth session.

2. In particular the Committee felt that the issues raised by the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay required further study, as did such aggregates as gross domestic product, gross national product, national income and debt-adjusted income. The Committee had noted the suggestion by the Ad Hoc Working Group that gross national product, rather than national income, should be used as a first approximation of capacity to pay, and it would give special attention to the problems that had tended to inflate the statistics of the former centrally planned economies.

3. The Committee was still of the view that the base period should be a multiple of the scale period and should not be less than the scale period. Further discussion was, however, needed to determine a base period that would reflect current capacity to pay while preserving stability and predictability in the scale.

4. Discussion of conversion rates should be refocused in order to develop new criteria to replace market exchange rates in situations where the latter produced excessive distortions in the incomes of Member States. There was also a need to reach a common understanding on debt-burden adjustment and low per capita income adjustment before the preparation of the next scale.

5. The Committee believed that the anomaly whereby the rates of assessment of some Member States, including some least developed countries with country shares below 0.01 per cent, had been raised to the floor could be partially addressed by lowering the floor. It also intended to take up the issue of the ceiling at its next session, and, in that connection, he recalled that, in accordance with General Assembly resolution 48/223 B, the scheme of limits was to be completely phased out in the next scale.

6. The Committee had considered representations from Turkey, Kyrgyzstan, Guatemala, the Dominican Republic and Iraq, each of which related either to the rate of assessment, the application of Article 19 of the Charter, or compensatory arrangements pursuant to Article 50, or some combination thereof. While the Committee was sympathetic, it could not respond to requests in connection with Article 50, as that was beyond its mandate.

7. With regard to Turkey's representation, although Turkey had been treated as a developing country it had not benefited from the scheme of limits in the previous scale. It could therefore not be subject to the 15 per cent limitation on the effect of the phase-out of the scheme of limits mandated by the General Assembly. Further, the data used for arriving at Turkey's rate of assessment had come from relevant official sources. The same also applied to the data for Guatemala. The Committee had decided to seek the advice of the General Assembly with regard to the application of Article 19 to Kyrgyzstan, and had requested up-to-date information from Guatemala and the Dominican Republic to enable it to assess their requests in connection with Article 19. Guatemala had subsequently made the necessary payment to exempt it from the application of that Article.

8. The Committee had been unable to give a specific response to Iraq's request for a waiver of Article 19, and had recalled that, in the context of the current scale, Iraq had benefited from the mitigation procedure and that price-adjusted rates of exchange, rather than market exchange rates, had been used to address fluctuations in Iraq's domestic prices.

9. Following the admission of Palau to the United Nations, the Committee recommended that its rate of assessment for the current scale period should be 0.01 per cent.

10. Mr. MULLER (Marshall Islands) expressed the hope that the discrepancies characterizing the current scale of assessments would be addressed by the Fifth Committee during the fiftieth session. In particular the principle of capacity to pay was not applied to all Member States on an equal basis. Many countries, especially smaller developing countries, were assessed at disproportionately high rates. As both the Ad Hoc Working Group and the Committee on Contributions had noted, the floor rate was too high for small countries. Given the general consensus on that point, action to abolish or significantly reduce the floor rate should be taken at the current session. According to the Under-Secretary-General for Administration and Management, the reduction of the rate would not have any significant impact on the Organization and it might allow small States which were not Members of the Organization to join.

11. With regard to peace-keeping, his country felt that it had been unfairly classified in group C. A reduction in the floor rate should also be reflected in the peace-keeping scale.

12. Various issues which should have been resolved were still outstanding. It was, for example, absurd that Yugoslavia was being assessed when the State in question had ceased to exist. As for South Africa, the arrears accrued by the racist apartheid Government should be forgiven so as to allow the current democratic Government to use its resources for nation-building. The former communist countries should also be assessed fairly, taking into account their current difficulties.

13. It was extremely difficult to understand how the broader question of arrears had become so serious. All States had a treaty obligation to pay their assessments in full and on time. They also had ample opportunity not to make excessive demands on the Organization. Once expenditure was agreed, however,

delegations must pay up. His own delegation was completely up to date in its payments, and hoped to continue to make prompt payments in the years ahead.

AGENDA ITEM 119: PATTERN OF CONFERENCES (A/50/32, A/50/263 and Add.1, A/50/288 and A/50/404)

14. Mr. VARELA (Chairman of the Committee on Conferences), introducing the report of the Committee on Conferences (A/50/32), said that, in accordance with its biennial programme of work, the Committee had devoted much of its time in 1995 to meetings-related issues.

15. It had sought to prepare a draft calendar that met the needs of the Organization as a whole, while avoiding any overlapping of meetings in the same sector of activity at the same conference location. The arrangements referred to in General Assembly resolution 49/221 A, paragraph 5, had been taken into account in the proposals for 1996 and would also be taken into account when the revised calendar for 1997 was drafted. The Committee recommended the draft calendar of conferences and meetings for the biennium 1996-1997 for adoption by the General Assembly.

16. The Committee was concerned that the overall utilization factor for conference services had decreased from 84 per cent in 1993 to 77 per cent in 1994, and had thus fallen below the established benchmark figure of 80 per cent. It was also concerend that the proportion of bodies utilizing more than the established benchmark percentage of conference-servicing resources had declined from 77 per cent in 1993 to 62 per cent in 1994 and that a large number of bodies had utilization factors below the 80 per cent benchmark. The Committee would continue to review a core sample of organs, including itself, for inclusion in the statistical analysis. It had also requested the Secretariat to refine the methodology for calculating utilization rates.

17. In recent years the Committee had consulted the chairmen of organs whose utilization factors had been below the benchmark figure for three sessions. That had produced useful exchanges of information. In that connection, the Committee on Information had decided that its eighteenth session should not last more than 10 days. The Committee on Conferences would invite the chairmen of subsidiary bodies which had utilized less than 80 per cent of their conference resources in 1994 to report on measures to improve their utilization rate and to assess their real needs, with a view to reducing the conference resources requested.

18. The Committee had again considered the issue of conference resources and facilities and improved coordination within the United Nations system. In that regard, it urged the Secretariat to share the translation workload among the various duty stations with a view to reducing translation-related costs, and to emphasize the need for the most effective possible use of conference facilities at duty stations outside Headquarters. The headquarters rule must be strictly enforced in the case of bodies whose headquarters were underutilized.

19. Pursuant to General Assembly resolution 49/221 B, the United Nations Administrative Tribunal, the First Committee, the Committee on the Exercise of the Inalienable Rights of the Palestinian People (in connection with the

observance of international days of solidarity) and the Executive Committee of the Programme of the United Nations High Commissioner for Refugees, had submitted justifications for the continuation of their current entitlement to meeting records and the Committee recommended that their entitlement should be continued. The Committee on Conferences also recommended that the General Assembly should endorse the decision of the Special Committee of 24 to replace its verbatim records by summary records, and had noted with interest the decision taken by the Committee on the Peaceful Uses of Outer Space to replace its verbatim records by unedited transcripts. Other bodies should review their use of summary and verbatim records with a view to making more general use of such transcripts.

20. The Committee felt that the introduction of technology-intensive methods of work in the translation services had much to commend it as a means of ensuring the provision of high-quality translation service in a timely and cost-effective manner. The Committee was in favour of the more rapid introduction of new technology, in full consultation with Member States and the relevant intergovernmental bodies.

21. The Committee welcomed the initiative of the Secretariat in seeking the opinions of delegations on the quality of conference services, and noted its intention to conduct a more wide-ranging survey. It encouraged the Secretariat to organize such surveys on a regular basis.

22. The Committee recalled the principle of the equality of the official languages and emphasized the need for strict compliance with the resolutions and rules establishing language arrangements for different bodies. In particular, resources must be made available to guarantee the timely translation of documents into the different official and working languages and to ensure their simultaneous distribution in those languages.

23. The Committee on Conferences was determined to enable Member States to enjoy a consistently high level of conference services in the most cost-effective way. He trusted that its report would be approved by consensus.

24. Mr. SEVAN (Assistant Secretary-General for Conference and Support Services) reminded the Committee that the Secretary-General had emphasized the need for enhanced resource utilization in conference services as one of the main objectives to be achieved by the Secretariat through improved management. In the area of conference services, maximum efficiency was not a goal to be reached at some future time but an immediate necessity. The demand for documentation, staff resources and physical facilities had continued to increase. For example, in 1989 Headquarters units had been responsible for 3,000 meetings with full services. In 1994 that figure had increased to 3,581, and the projection for 1995 was 3,850. A changing pattern in the demand for conference services had become evident recently: while the number of Security Council meetings had declined from a record of 438 meetings and informal consultations of the whole in 1994 to 299 during the current year, the demand for services of the Fifth Committee and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had not followed suit.

25. In 1990 the Fifth Committee had held 126 meetings; in 1994 it had held 258 and during the current year, even before beginning the substantive work of the fiftieth session, it had held 113 meetings. ACABQ had held 109 meetings in 1990, 296 in 1994 and 222 meetings in 1995 up to the end of September.

26. Unfortunately, the biennial planning process allowed little flexibility for growth in meetings activity. At the time the calendar was adopted, the requirements of those organs, and others like the General Assembly Working Groups dealing with the financial situation of the Organization, the membership of the Security Council and an Agenda for Peace, not to mention bodies that had been established during the biennium or bodies set up by the Economic and Social Council, could not be foreseen with any accuracy.

27. The current biennial calendar of conferences adopted by the General Assembly in 1993 included approximately 6,140 scheduled meetings with full services at Headquarters. By the end of 1995, some 1,150 additional meetings would have been added. Thus in 1993, when requirements for the current biennium had been estimated, a workload 20 per cent less had been planned than the volume of activity that had developed later. Any additions were supposed to be absorbed within existing resources, but, after a certain point quite early in the biennium, resources for additional activities had simply not been available. It had therefore become impossible to meet the rising demand at current levels of capacity, not simply in terms of staff resources but also in terms of the physical facilities at Headquarters.

28. Headquarters had only 15 meeting rooms equipped for simultaneous interpretation, and only 6 of those were large enough to hold the full membership of the Organization. Accommodating close to 4,000 meetings with interpretation per year in those limited facilities required a continuous juggling act that not only strained planning capacity but, more importantly, inconvenienced delegations and disrupted working arrangements.

29. Meetings of regional and other groups had probably been hit hardest, and the number of such meetings had been increasing at the same pace as others. In 1993 there had been 601 such meetings; in 1994 there had been 771. Although not legislatively entitled to services, most of the groups involved had repeatedly stated that they could not work effectively without them. In turn, without the preparatory work done at those meetings, at times it had not been possible for regular organs to complete their deliberations. In 1994 it had been necessary to decline full services to 149 meetings of those and other groups that had requested them. During the current year the number of requests declined had risen to 202 thus far.

30. The cost of producing documentation in New York and Geneva alone for the biennium 1992-1993 had been $290 million, and, despite efforts to reduce such expenditures, the figure was expected to increase by $5 million during the biennium 1994-1995.

31. Although translation workloads had seemed to stabilize in 1994 with only a 4 per cent increase over 1993 (for a total of 335,000 pages), projections for 1995 were currently running very close to the previous year's record high.

Documentation for the current session of the General Assembly already totalled 15,000 pages, all of which had to be processed in the six official languages.

32. On the other hand, there had been no sign of a levelling off of the output of the print shop at Headquarters in terms of printed pages: 749 million in 1993, 775 million in 1994, and a conservative estimate of 790 million in 1995.

33. Referring to the enormous amount of waste paper recycled by the United Nations, which currently averaged 1,000 tons a year, he urged delegations to stop asking for documents which they did not really need. Many documents and publications were simply being thrown away as soon as they were received by delegations and the Secretariat. He indicated to the Committee that the Secretary-General had taken a close personal interest in the problem of waste paper.

34. In an effort to alleviate the problem of waste, distribution in the Secretariat had been cut back by two thirds and stocks by one half. The distribution of publications in-house had been discontinued. Those measures would reduce print runs by approximately 13 per cent, representing a reduction of over 100 million printed pages a year at Headquarters. Similar action was being planned at other duty stations.

35. In addition, print runs had been adjusted to reflect actual demand, but that task was more difficult since demand at the delegations' counter and at document booths in conference rooms was harder to predict. Delegations kept picking up documents and then leaving them behind or throwing them away, knowing that another copy would always be available. In addition, deferral of agenda items from one session to another, a growing practice, usually involved rerolling the same documents or producing updated versions.

36. Sets of documents and publications placed in the Mission boxes every morning were frequently opened and immediately dumped, or never picked up at all. In future, it would be assumed that, if documents were not picked up, the Mission concerned was not interested in them; the boxes would no longer be filled after three days with no pick-up.

37. A number of suggestions on how to control and limit documentation had been discussed at the Inter-Agency Meeting on Language Arrangements, Documentation and Publications, a gathering of experienced conference service managers from the United Nations system, other international organizations and interested governmental language services. It had been agreed that very little could be done unless users were willing to scale down their requirements, for example by ceasing to ask for recurrent reports which might not be as valid as when initially requested, by accepting oral reports instead of documents, by combining two or more reports into one document, and by limiting their agendas.

38. He cited the following examples of improved efficiency. The Committee on Conferences had considered 17 written documents at its substantive session of 1994, but, by combining topics and requesting oral presentations, it had managed to reduce the number of its documents to only 7 during the current year. The Committee on the Peaceful Uses of Outer Space had decided to have unedited transcripts of its proceedings instead of traditional verbatim records; the

amount of paper involved had not actually been reduced, but the cost of producing its records had been cut by two thirds (from $13,800 to $6,500 per meeting). Finally, some $1.8 million had been saved on the provision of verbatim records for the First Committee by having those records drafted after the regular fall session of the General Assembly on the basis of sound recordings.

39. Reminding the Committee that quality was just as important as quantity, he reported that significant gains in productivity had been achieved in Conference Services through more advanced technology and better management. He expected to see further progress in cost-effectiveness through the expanded use of contractual arrangements for translation, and as a result of an efficiency study of printing operations. Remote translation had already proved highly successful in servicing the Fourth World Conference on Women in Beijing and was being planned for the forthcoming United Nations Conference on Human Settlements in Istanbul. However, although he had hoped that increased productivity would have led to qualitative improvements, inevitably those successes had been overtaken by rising workload levels.

40. Direct contact with delegations was being maintained to elicit feedback on specific improvements. As an example of one positive development, he cited the success of the recently instituted arrangements and facilities for bilateral meetings and contacts at Headquarters. To date more than 600 meetings had been held and, for once, established capacity had proved sufficient for the demand.

41. He emphasized that the Secretary-General had directed all programme managers to take the necessary measures to ensure efficiency in operations and cost-effectiveness in activities. The proposed programme budget for the biennium 1996-1997 reflected fully the efficiency measures already taken, and further measures would be taken. The Secretary-General had already established an Efficiency Board under the chairmanship of the Under-Secretary-General for Administration and Management.

42. Efficiency measures on the part of the Secretariat alone were not sufficient, particularly in the area of conference services. Member States had to take the necessary action to curtail their appetite for reports, and not to request additional reports without deciding to forgo other reports - some of which had been produced year after year - some of them based on mandates given 10, 20, or even 50 years earlier. Too many reports were rarely read, let alone referred to in the work of the Committees. Accordingly, the challenge of efficiency and cost-effectiveness was not only for the Secretariat but equally, in fact more so, for Member States.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued) (A/50/6 (vols. I and II), A/50/7 and A/50/16)

43. Mr. GJESDAL (Norway), said that his delegation was concerned at the Secretary-General's statement that the regular budget had run out of cash and that the United Nations had been obliged to borrow from peace-keeping operations. The Nordic countries had called on all Member States to fulfil their financial obligations in full and on time, otherwise any consensus on the proposed programme budget would be of no avail.

44. Further attention had to be devoted to the ordering of priorities and the continuing relevance of various mandated activities in future programme budgets. The United Nations should concentrate on realistic goals and on areas where it had comparative advantages and could make an impact. In other areas it should consider discontinuing certain roles and activities. In future, the setting of priorities in the medium-term plan should entail greater emphasis on identifying redundant and obsolete mandates and a discussion of the need to continue mandates for which it had proved impossible to marshal the necessary resources.

45. He reminded the Committee that the complex intergovernmental machinery and decision-making process in the United Nations had been one of the greatest challenges to forward planning. Mandates and activities had not grown in accordance with an overall predetermined plan. Instead, the Organization had reacted over the years to perceived global priorities as articulated by the Member States. Unless agreement was sought on the role that those intergovernmental directives should play in the preparation of medium-term plans, past frustrations in planning would continue into the next century.

46. Norway endorsed the four areas that had been earmarked for special attention in the proposed programme budget for the biennium 1996-1997, namely the strengthening of the Organization's capacity to deal with political and peace-keeping activities, the reinforcement of international and regional cooperation for development, the enhancement of support for humanitarian affairs and human rights, and an increase in the capacity for internal oversight.

47. Norway was impressed by the management improvements that had been instituted during the current biennium and by the intense scrutiny of future activities that had taken place. While he congratulated the Secretary-General on having submitted a budget proposal which represented a reduction compared to the budget for the current biennium, he said that any reduction in budget estimates should not lead to the conclusion that there was a diminished need for the United Nations.

48. Norway shared the view of the European Union that the overall proportion of the programme budget devoted to human rights remained inadequate and did not reflect the priority which should be attached to that area. His delegation welcomed the Secretary-General's request for an increase in the number of posts for core personnel involved in peace-keeping to be funded from the regular budget, as well as the requests for additional posts for humanitarian assistance programmes and for the new Office of Internal Oversight Services. As for the post of Focal Point for Women, he believed that it should be included in the regular budget, not funded from extrabudgetary resources. Generally speaking, the United Nations should have the capability to attract and retain staff of the highest calibre.

49. Mr. MACEDA (Philippines), speaking on behalf of the Group of 77 and China, expressed serious concern regarding the Organization's current financial condition. Failure by Member States to honour their financial obligations had adversely affected the Organization's capacity to carry out the mandates they had entrusted to it, particularly those in the development field, while internal borrowing from peace-keeping accounts would lead to further delay in the reimbursement of troop-contributing countries.

50. He was also concerned that the reduction in resources proposed for the biennium 1996-1997 would leave less than the amount needed to carry out all mandated activities. He welcomed the efficiency gains resulting from such measures as the introduction of new technology and endorsed the view expressed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in paragraph 19 of its report (A/50/7) that it would be for the Secretary-General to make appropriate programmatic proposals to the General Assembly in order to achieve further savings. He expressed concern at the tendency of some bodies to involve themselves in administrative and budgetary matters which were properly the responsibility of the Fifth Committee.

51. At its forty-ninth session, the General Assembly had been unable to reach consensus on the Secretary-General's proposed revisions to the medium-term plan because some of those revisions had been drafted without respect for existing legislative mandates. The current medium-term plan, as revised and approved by Member States, should serve as the framework for the formulation of biennial budgets.

52. Noting the new format of the budget documents, he expressed concern that in the budget presentation, areas of particular interest to developing countries, namely, the economic development of developing countries, Africa's economic recovery, drug control and environmental protection, had been lumped together, despite the increasing number of activities and programmes of action related to those areas, while internal oversight had been presented as a priority, even though the Group of 77 and China viewed internal oversight only as a tool aimed at strengthening the capabilities of the Secretary-General in the performance of his duties, and not as a priority in itself.

53. He welcomed efforts to eliminate wasteful expenditure and improve efficiency, but reminded the Committee that cost-cutting and productivity gains were not the objectives of the Organization. It should be the Committee's constant endeavour to provide the United Nations with the financial provisions to fulfil all the mandates laid out by the General Assembly in pursuit of the Organization's goals. He also requested the Secretariat to provide the Committee with organizational charts of each Department, based on the budget proposals, accompanied by definitions of the tasks entrusted to each unit so as to facilitate the Committee's examination of proposals for the redistribution, creation and suppression of posts. The Organization's primary asset was its personnel; it must be able to attract and retain staff members of the highest calibre, free from the distraction of the current precarious cash-flow situation and in a structure which reflected the principle of equitable geographical representation.

54. Mr. DEINEKO (Russian Federation) said that one of the reasons for the swift growth in the United Nations budget had been the lack of serious analysis of the Organization's budgetary expenditures in view of new political and economic realities and the need to identify and eliminate obsolete or redundant activities. He hoped that consideration of the proposed programme budget for the biennium 1996-1997 would result in serious efforts to eliminate such activities so that budgetary resources could be reoriented towards activities of greater priority. He hoped that the Secretariat would submit specific proposals to that effect.

55. Over the years, growth in the size of Secretariat staff had been swift and uneven, and there had been little effort to implement new decisions and programmes using available personnel. The redistribution of personnel among the Organization's programmes should become an indispensable part of its dynamic functioning and of efforts to improve its efficiency. Some efforts in that direction had already been made in the proposed programme budget for the biennium 1996-1997, which focused more on specific programmes than previous budgets had done.

56. He welcomed the timely preparation and improved format of the budget document, as well as the active involvement in its preparation of programme managers who were clearly interested in the possibilities of savings and the redistribution of resources. There were, however, several areas which the Advisory Committee had identified as areas where economies could be achieved without reductions in appropriations at the present time. Those areas included productivity gains that could be realized as a result of technological innovations, a review of the publications programme, and control of expenditures on consultants. Further potential savings could be achieved through measures to reduce travel expenses and temporary assistance expenditures, a reduction in the ratio of support personnel to professional staff, an increase in the vacancy level, and the deferral of non-essential repair and construction works.

57. Despite the concern felt by many Member States about additional expenditures resulting from recosting for currency fluctuation and inflation and the failure of past efforts to address the problem, the current budget proposals once again appeared to lack a transparent methodology and mechanisms for a solution to the problem. His delegation advocated the absorption of those expenditures through the redistribution of priorities and the postponement of low-priority programmes.

58. Mr. Wonil CHO (Republic of Korea) said that his delegation fully endorsed the statement made by the representative of the Philippines on behalf of the Group of 77 and China and welcomed the Secretary-General's efforts to minimize resource requirements without undermining the delivery of any mandated activities. Noting that the proposed budget level represented a reduction against 1994-1995 levels, while projected expenditure, after recosting, showed a 3 per cent increase, his delegation believed that further cost-effective measures could be taken, based on the recommendations of ACABQ.

59. His delegation believed that the reduction in the programme budget should in no way affect the implementation of all mandated programmes and activities. It therefore noted with satisfaction that the proposed efficiency savings had been achieved through the rationalization and improvement of work programmes and methods and through other cost-saving measures. At the same time, his delegation welcomed the enhancement of the capacity to deliver political and peace-keeping activities while accruing savings through cost-effective measures. In addition, it commended the efforts of the Secretary-General in the area of human rights and humanitarian activities.

60. His delegation was concerned, however, by the proposed decrease in resources for international and regional cooperation for development. That was not consistent with the high priority placed on the economic development of

developing countries, particularly the economic recovery of African countries. In addition, while it supported moves to strengthen the Office of Internal Oversight Services, it believed that any increase in the level of resources for internal oversight should not be achieved at the expense of the Organization's other mandated activities.

61. His delegation was also concerned by plans to decrease the number of posts by 109 and maintained that budget constraints should not be allowed to have an adverse impact on the morale of the staff, since, as the Secretary-General had stated the effectiveness of the Organization depended on the performance of its staff.

62. With regard to the current cash-flow crisis, he urged Member States, once the budget was approved, to meet their financial obligations by paying their assessments in full, on time and without conditions.

63. Finally, he commended the Secretariat staff on their outstanding work in ensuring the early submission of the proposed programme budget.

64. Mr. SHAH (India) expressed his delegation's concern that the projected level of resources for international economic development had declined by more than 4 per cent in the proposed programme budget for the biennium 1996-1997, and that such a decrease would not permit adequate funding of follow-up of plans of action adopted at recent international conferences. The United Nations was obligated to continue to make adequate financial provisions for follow-up activities related to global economic policies and development.

65. He welcomed the creation of a new budget section relating to African economic recovery and development, and called for a detailed review of resource levels in order to ensure sufficient funding for activities and programmes planned under that section. He also stressed the importance of the United Nations Conference on Trade and Development (UNCTAD) and its relationship with the World Trade Organization (WTO). UNCTAD resources must be adequate to meet its mandated activities.

66. In view of the ongoing transformation in the character of United Nations peace-keeping activities, he expressed of hope that the savings to be realized from reduced peace-keeping expenditures would be directed to United nations development activities.

67. In the area of human rights, the main thrust of the Centre for Human Rights should be the provision of technical assistance and human rights education, and must be compatible with the prevailing local cultural and social ethos. The economic, social, cultural and civil aspects of human rights, in particular the right to development, had not received adequate attention or resources. He hoped that the proposed programme budget for the biennium 1996-1997 would include a subprogramme which laid the basis for a Convention based on the Declaration on the Right to Development. He also called for adequate funding to carry out the mandate to combat terrorism.

68. His delegation supported the strengthening of the Office of Internal Oversight Services. Any expansion of that Office should, however, give due regard to the principle of geographical representation.

69. The overall administrative costs of the Organization still required significant pruning. The credibility of the entire reform exercise would hinge on the ability of the Department of Administration and Management to prune its own budget and staff. It was therefore difficult to understand the proposal for the creation of additional posts in that Department.

70. Mr. AMORIM (Brazil) said that his delegation associated itself with the statement made by the representative of the Philippines on behalf of the Group of 77 and China. Brazil believed that the current medium-term plan was of value in that it enabled Member States to work together, thereby consolidating mandates which derived from a variety of legislative sources, and gave an indication of the Secretariat's view of how those mandates were to be implemented.

71. Commending the Secretariat on its timely preparation of the documentation before the Committee, he welcomed the three-phased approach to the preparation of the budget proposed by the Secretary-General. Noting that the proposed programme budget represented a 3.5 per cent reduction of 1994-1995 levels in a context of growing demands on the Organization, he suggested that a breakdown should be provided, by specific areas, of the efficiency gains and adjustments which had made that reduction possible. Brazil was, in particular, concerned that only one priority of the medium-term plan and resolutions and mandates - international peace and security - had been kept separate in the proposed programme budget, while four others - international cooperation for development, in particular for developing countries; Africa: critical economic situation, recovery and development; environment; and international drug control - had been lumped together under the heading "Enhancement of international and regional cooperation for development". While it noted that preventive diplomacy and peacemaking were highly cost-effective activities for the maintenance of international peace and security, Brazil had doubts regarding the need to transfer 26 posts from the support account for peace-keeping operations to the regular budget and questioned whether there was any legislative mandate for such a transfer. The emphasis on preventive diplomacy and peace-keeping was not matched by a corresponding emphasis on the Organization's role in the promotion of development, yet underdevelopment had a serious negative impact on the preservation of peace and security.

72. In the field of human rights, he recalled that the Committee for Programme and Coordination (CPC) and the General Assembly, during their most recent sessions, had been unable to agree on the revision of programme 35 of the medium-term plan. Brazil attached great importance to United Nations human rights activities and firmly supported the allocation of the necessary personnel and resources to the Office of the High Commissioner for Human Rights. It also set high store by the strengthening of the rule of law as set forth in the Vienna Declaration and Programme of Action.

73. While his delegation recognized the importance of the Office of Internal Oversight Services, it doubted whether the Office necessarily qualified as a

priority area or could be described as a "programme", and it noted with concern that the increase in the proposed additional number of posts for the Office accounted for nearly 20 per cent of all new posts proposed.

74. His delegation agreed that further efforts should be made to rationalize and simplify the Organization's work methods, but stressed that the purpose for which it had been set up was the attainment of the goals set forth in San Francisco, not mere cost-effectiveness.

75. In conclusion, he reiterated that efforts to enhance the budget process and the workings of the Organization would bear little result unless Member States paid their contributions in full, on time and without conditions. Payment of assessed contributions was a Charter obligation of Member States and not a favour to the United Nations, nor should it be used as leverage for other objectives. Despite its own current difficulties, Brazil had eliminated all its outstanding contributions to the regular budget and had paid the bulk of its contributions to peace-keeping operations. It urged other Member States - especially the largest contributors - to follow suit.

76. Mr. JU Kuilin (People's Republic of China) commended the Secretariat on its timely submission of the proposed programme budget and the improved format and agreed in principle with the statement made by the representative of the Philippines on behalf of the Group of 77 and China.

77. He noted that, while the significant reduction in the proposed programme budget for the biennium 1996-1977 seemed to warrant commendation, the continued reduction of the United Nations budget at a time when the Organization faced growing challenges, particularly in the area of economic development, was cause for concern. China welcomed efforts to enhance the Organization's efficiency, but maintained that the purpose of enhanced efficiency was not to save costs, but to improve programme delivery. Even greater concern attached to the substantial reduction in extrabudgetary resources for 1996-1997, which would inevitably have an adverse impact on the implementation of various programmes and the future role of the United Nations.

78. Noting the confusion surrounding the process of priority-setting in the preparation of programme budgets, he said that priority areas should be determined in conformity with the interests and requirements of Member States through a process of consultation; they should not be based on the whim of certain Member States. His delegation maintained that the current priority areas for United Nations activities should be as set out in the medium-term plan and endorsed by the General Assembly, namely: the maintenance of peace and security; economic development of the developing countries; economic recovery and development of Africa; protection of the environment; and control of narcotic drugs. Among those areas economic development should be the first priority and United Nations activities in the field of economic development should therefore be strengthened; current trends were to scale them down and steadily reduce the resources devoted to economic cooperation and development in the budget. Budget cuts in development areas, such as international and regional cooperation for development, had not been adequately explained and further explanation was required from the Secretariat. In addition, follow-up action to the recent world conferences in Copenhagen, Cairo, Barbados and

Beijing was essential to the promotion of development, yet no arrangements had been included in the budget for the implementation of the programmes of action adopted at those conferences.

79. China strongly believed that proposed budget cuts should be carefully scrutinized in analytical reports submitted for the consideration of the General Assembly and should not be based on the mere wish of a few Member States. In that context, his delegation shared the view expressed by the Advisory Committee in paragraph 20 of its report (A/50/7).

80. The significant increase in resources for human rights programmes, (section 21) was in glaring contrast to the inadequacy of resources for economic development. He pointed out that neither the revision to programme 35 of the medium-term plan, nor section 21 of the programme budget submitted by the Secretary-General at the previous session had been approved by the General Assembly. That cast serious doubt on the legal basis for the formulation of the programme budget. In addition, CPC had failed to reach consensus on that item of the budget, while, as noted in the report of the Office of Internal Oversight Services (A/49/892) and in the report of ACABQ, the external auditors had identified weaknesses and administration shortcomings in the Human Rights Centre.

81. Finally, he stressed the need to maintain normal budget procedures, as required by the relevant General Assembly resolutions. The substantive committees should review the various activities and submit specific recommendations. The views of these committees should be fully respected when the budget was prepared and due emphasis should be given to the important role played by CPC and ACABQ in the review and approval of the programme budget.

AGENDA ITEM 158: PROGRAMME PLANNING (A/49/6, A/49/16, A/49/99 and Add.1, A/49/135 and Add.1, A/49/301 and A/49/958; A/50/16; A/C.5/49/27 and Add.1, A/C.5/49/28 and Add.1; E/1994/4, E/1994/19 and E/1995/21)

82. Mr. TAKASU (Controller), introducing the report of the Secretary-General on the prototype of a new format of the medium-term plan (A/49/301), said that the Committee had decided, after extensive discussions, to defer consideration of the proposed prototype, which had been prepared in 1994, to the fiftieth session so that it could be reviewed in the light of the Advisory Committee's report.

83. The prototype had been developed in consultation with interested delegations and CPC, on the basis of recommendations made in previous years both by CPC and by the General Assembly. The effectiveness of the current medium-term plan format had been called into question by the Secretariat, as well as by certain Member States for a number of reasons, including the disproportionate emphasis it placed on activities and output, rather than objectives, and its failure to state those objectives with sufficient precision. The current medium-term plan contained only a list of activities and gave no clear insight into their organization; nor did it provide a direct link between programme structure and the offices responsible for implementation. Consequently, no accountability linkage could be established. For that reason, the budget structures and programme structures lacked congruence.

84. The new prototype was an endeavour to address those problems and represented a significant departure from the 1992-1997 model. Instead of an introduction with a simple summary, it aimed to provide a perspective of the Organization's work for the next four years. In addition, the programme framework was different: each programme fell under the responsibility of a particular office, providing for enhanced accountability. The programme structure was directly linked to the structure of the budget, which was more focused, emphasizing what programmes expected to achieve, rather than the activities undertaken. Each programme was divided into several subprogrammes and specific departments or offices would be responsible for the various subprogrammes, thus establishing a direct linkage between programmes and the budget.

85. The prototype aimed to facilitate the intergovernmental review of the overall direction of the Organization's work and to make a clear link between organizational and programmatic structures, forming an integral part of the system of accountability which the Secretariat was endeavouring to establish. He hoped that the proposed new format would meet with the approval of the Committee.

86. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the Advisory Committee's report on the prototype of a new format of the medium-term plan (A/49/958).

The meeting rose at 12.55 p.m.

UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
5th meeting
held on
Tuesday, 11 October 1995
at 10 a.m.
New York

SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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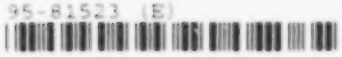

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The meeting was called to order at 10.15 a.m.

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/49/897; A/50/11)

1. Mr. MARUYAMA (Japan) said that the findings and recommendations of the Committee on Contributions and of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay, as contained in their respective reports (A/50/11 and A/49/897), would greatly assist Member States in their efforts to reach agreement on an equitable system of sharing the financial burden of the United Nations.

2. Japan regretted, however, that the Committee on Contributions had so far been unable to complete the review, called for in General Assembly resolution 48/223 C, of all aspects of the scale methodology and hoped that it would draw up specific recommendations on the issue as soon as possible.

3. While it similarly regretted the inability of the High-level Open-ended Working Group on the Financial Situation of the United Nations to formulate specific recommendations for the reform of the scale methodology, his delegation continued to attach great importance to the work of that body and hoped that it would reach a comprehensive solution, which would include measures to ensure full and timely payments of assessed contributions by all Member States, along with a new methodology for determining the scale of assessments; a review of the scale methodology for both the regular budget and peace-keeping operations; and consideration of all the factors involved in the scale methodology. His delegation believed that the objective should be the formulation of a fair and equitable system for sharing the financial burden among all Member States, rather than a partial package of measures.

AGENDA ITEM 119: PATTERN OF CONFERENCES (continued) (A/50/32, A/50/263 and Add.1, A/50/288 and A/50/404)

4. Mr. MUÑOZ (Spain), speaking on behalf of the European Union, said that Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania and Slovakia also wished to associate themselves with his statement. The European Union commended the efforts made by the Committee on Conferences towards ensuring the effective utilization of available resources. It believed that its role should be further strengthened, especially in view of the financial crisis facing the Organization, and that it should make specific proposals for the optimization of resources.

5. With regard to the calendar of conferences and meetings for the biennium 1996-1997, the European Union supported the recommendation contained in paragraph 10 of the report of the Committee on Conferences (A/50/32). It was, however, concerned by the increase in the number of meetings and by the proliferation of conferences.

6. As for the level of utilization of conference services, it was concerned by the general decline in utilization by a growing number of bodies, including the Main Committees of the General Assembly, to a level below the established

benchmark figure of 80 per cent. The European Union strongly supported the request by the Committee on Conferences that the Secretariat should refine the methodology for calculating utilization factors and develop a cost-accounting system for conference services, and it suggested that an analysis should be made of any overcapacity in those services.

7. As far as translation-related costs were concerned, a sound cost-accounting system should be followed, to ensure that the most effective system was adopted. In any comparison of translation systems, however, the importance of quality should be taken into account and, in that context, the European Union supported the recommendations in paragraphs 43 to 52 of the report.

8. With regard to the provisional calendar of conferences and meetings of the subsidiary bodies of the Economic and Social Council for 1996-1997, the European Union supported the recommendation contained in paragraph 59 of the report. It believed that more time was needed to study the proposal on biennialization.

9. Efforts should be made to reduce documentation and Member States should endeavour to keep their statements as brief as possible. The European Union supported the recommendations contained in paragraphs 72 to 74 of the report and welcomed the decisions taken by the Committee on the Peaceful Uses of Outer Space and the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to replace their verbatim records by, respectively, unedited transcripts and summary records.

10. The European Union reserved the right to express its views on the proposed programme budget for the biennium 1996-1997 relating to conference services during the second reading of the proposed programme budget. It hoped that the budget would cover the expected demand for conference services.

11. The European Union welcomed the introduction of new technologies in conference services, in particular, the use of remote translation, which had been successfully employed at the Fourth World Conference on Women, held in Beijing. At the same time, it reaffirmed the principle of the equality of official languages and the need to ensure the necessary resources for the simultaneous and timely translation of documents. In that context, the European Union welcomed the inclusion of agenda item 156, "Multilingualism", in the agenda of the fiftieth session.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued) (A/50/6 (vol. I and II), A/50/7 and A/50/16)

12. Mrs. ROHANI (Malaysia) said that her delegation fully supported the statement made at the previous meeting by the representative of the Philippines on behalf of the Group of 77 and China.

13. Her delegation shared the Secretary-General's concerns about the precarious financial situation of the United Nations and the large amounts still owed by Member States. As a major troop-contributing country, which had consistently paid its assessed contributions to both the regular budget and the peace-keeping budget, in full and on time, Malaysia was particularly concerned by the decision

to resort to borrowing from the peace-keeping budget and hoped that that would be only an interim measure. Failure to reimburse troop contributors, especially the developing countries among them, was bound to have an adverse impact on their continued participation in peace-keeping operations.

14. Commending the Secretariat on the early completion and submission of the budget proposal, her delegation welcomed the prudent measures taken by the Secretariat to reduce spending. The abolition of 201 posts and the creation of 66 posts for new activities mandated by the General Assembly was a welcome development, but decreases in staff should not be used as a pretext for the hiring of consultants. While the cuts and the introduction of new technology were welcome, further efforts were needed to reduce administrative and staff costs.

15. Her delegation believed that the priority areas set out in the medium-term plan for 1992-1997, should be maintained, namely, the economic development of developing countries, the economic recovery and development of Africa, the environment, and international drug control, and it supported the view of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that any changes in priorities should have the endorsement of Member States, through the General Assembly.

16. Her delegation was particularly concerned about the decline in the overall projected level of resources for international economic development in the proposed programme budget for 1996-1997. Adequate resources were needed to ensure the full implementation of the programmes of action adopted at the various international conferences held in recent years.

17. In his recent address to the General Assembly, the Malaysian Prime Minister had deplored the failure of some rich Member States to pay their assessed contributions while continuing to exercise influence on the Organization, and had urged that new bases for assessment should be identified.

18. Finally, while her delegation understood the need to increase the capacity of the Office of Internal Oversight Services, it believed that that Office, as a non-substantive activity, should not be treated as a priority area.

19. Mr. RODRIGUEZ PARRILLA (Cuba) said that his delegation fully supported the statement made by the representative of the Philippines on behalf of the Group of 77 and China at the previous meeting. Cuba was very concerned by the precarious financial situation of the Organization, which undermined its ability to perform its functions as mandated by the Charter and by the resolutions adopted by the Member States. Like most developing countries, Cuba was unable to meet its financial obligations in full and on time, but it remained committed to the purposes of the Organization and reaffirmed its political will to continue to contribute towards finding a solution to the financial crisis of the United Nations. That crisis could not, however, be attributed mainly to delays by the developing countries in paying their assessed contributions; it was caused by the withholding of payment by the major contributor.

20. Commending the Secretariat on the timely submission of the proposed programme budget, he expressed his delegation's concern that only one group of

specialized agencies had participated in the analysis of the various sections of the budget. He suggested that the Secretariat should take steps to ensure that in future budgetary exercises the competent intergovernmental bodies should have an opportunity to discuss the proposals in detail. In addition, he reiterated the view of the Group of 77 that the proposed budget should be fully consistent with the priorities established in the medium-term plan for 1992-1997, as approved by the General Assembly in resolutions 45/253 and 47/214. He regretted that neither those decisions, nor resolution 41/213, had been respected and that the relevant debates in the Committee for Programme and Coordination (CPC) and the Fifth Committee had been ignored. His delegation could not accept the setting of new priorities without the agreement of Member States; that would set a dangerous precedent.

21. Those negative factors called into question the validity of the budgetary process followed for almost a decade and underlined the need for a detailed examination and the adoption of corrective measures by the General Assembly. Such measures would have little effect, however, unless Member States entered the negotiations in good faith and with real political will and respected the principle of the equality of all Member States set forth in the Charter. To that end, the Secretariat should fully respect the prerogatives of the General Assembly and of the Secretary-General as its chief administrative officer as stated in the Charter.

22. The irregularities reflected in the budget must be corrected in the resolution adopted at the current session. The budget for the next biennium must reflect the priorities mandated by the General Assembly and must provide for an equitable allocation of resources, including extrabudgetary funding.

23. His delegation could not accept the disproportionate level of resources proposed for internal oversight activities, which had been converted into a priority despite the absence of any decision by Member States. While oversight functions were important, they were not on a par with activities related to the attainment of the purposes and principles of the Charter. Oversight was merely a tool to ensure the rational use of resources. Moreover, the level of resources proposed for internal oversight did not take into account the General Assembly's decision to strengthen external oversight machinery, an omission which must be made good. It would be useful to hear the views of the external organs concerned regarding their budgetary needs.

24. The level of resources presented in the proposed programme budget did not appear to reflect the priorities established by the General Assembly. The grouping in the same part of the budget of sections relating to economic development, the environment, drugs, and the economic recovery of Africa, each of which had been recognized as a separate priority, might well have a negative impact on future decisions of the General Assembly. The Secretariat should provide a conference room paper indicating the level of resources proposed for the various sections of the proposed programme budget reflecting the priorities established by the General Assembly.

25. While his delegation welcomed efforts to promote efficiency and cost-effectiveness, the overriding consideration in the proposed programme budget must be the discharge of legislative mandates; that must not be affected by

efforts to achieve savings. Accordingly, a reduction in the size of the budget must not be an end in itself but a reflection of improved utilization of resources.

26. In that context, his delegation agreed with the views expressed by the Advisory Committee (A/50/7, paras. 46 and 47) on the second and third phases of the Secretary-General's measures to enhance efficiency. The changes which would result must receive the prior approval of the General Assembly and be considered under the item on the review of the efficiency of the administrative and financial functioning of the United Nations. A report should be prepared analysing their impact on programme implementation.

27. The budget estimates must include calculations relating to rates of exchange and inflation. In that connection, he endorsed the view expressed by the Chairman of the Advisory Committee that the Secretary-General's proposals were fully consonant with paragraph 10 of the annex to General Assembly resolution 41/213. It would be unacceptable to reconcile the differences between States regarding recosting for inflation and exchange rates by seeking to adjust the level of the budget.

28. The staffing table proposed for 1996-1997 reflected a net reduction of 109 posts. The implementation of the staff reductions must fully respect the principle of equitable geographical distribution, both overall and within departments.

29. He endorsed the views of the Advisory Committee on the contingency fund (A/50/7, para. 120), and looked forward to the report of the Secretary-General called for in General Assembly resolution 49/217. He trusted that the contingency fund would be used for the purpose for which it had been established.

30. The General Assembly must further consider the question of activities relating to international peace and security which had been financed as extraordinary or unforeseen expenditure, in view of the fact that some of those activities had become ongoing without proper provision having been made in the budget estimates.

31. In view of the difficult financial situation, there was an unprecedented need for cooperation and political will to enable the Organization to adopt a budget which corresponded to the interests of the 185 Member States and fully reflected the decisions of the General Assembly.

32. Mr. OWADE (Kenya) expressed appreciation for the timely presentation of the budget and its improved format. The role of the United Nations, as the only universal body responsible for maintaining international peace and security, achieving economic, social and cultural progress, and promoting respect for human rights, could not be overemphasized. The budget process was an important element in the attainment of the Organization's objectives. It was therefore regrettable that the current financial difficulties had arisen largely as a result of the failure of Member States to honour their Charter obligation to pay their assessed contributions in full, on time and without conditions. While he welcomed the restructuring and efforts to do more with less, such initiatives

could not be meaningful without adequate financial resources. In that regard, he said that Kenya had recently paid all its outstanding contributions to the regular budget.

33. With regard to the four priority areas in the medium-term plan period identified by the Secretary-General, it was imperative that any savings realized from restructuring should be redirected to development activities. It was vital that the programme budget should accord priority to the economic development of developing countries, the economic recovery and development of Africa, environmental protection, and drug control. His delegation also attached great importance to the promotion and protection of human rights. Resources allocated to such activities should include technical assistance for developing countries to enable them to strengthen their human rights institutions and to realize their right to development.

34. With regard to peace-keeping, more resources should be devoted to preventive diplomacy and peacemaking. It was regrettable that the bulk of the Organization's resources over the last biennium had been directed towards peace-keeping at the expense of development.

35. His delegation agreed that internal oversight functions were not in themselves a priority area, but, rather, a means of achieving the Organization's priorities.

36. He looked forward to the finalization of arrangements for the United Nations Office at Nairobi, and noted the negative resource growth in respect of administration services in Nairobi. Any savings realized from the proposed arrangements should be used to strengthen programmes in Nairobi. In that regard, his delegation was concerned that the budget submission for Nairobi reflected a reduction of $784,900.

37. Mr. CHINVANNO (Thailand) commended the Secretary-General on the timely submission of the proposed programme budget for the biennium 1996-1997 and the Secretariat on the improved format of the budget document. His delegation noted the attempt to do more with less, and welcomed efforts to improve efficiency. Such initiatives would continue to yield benefits. Further savings could be achieved through the rationalization of work programmes and reductions in general operating expenses. Care must be taken, however, to ensure that sufficient resources were available to cover all mandates entrusted to the Organization. It was essential to achieve consensus in efforts to eliminate overlapping activities, since activities which were of little value to some delegations might be of great value to others. While his delegation supported the overall priorities set in the proposed programme budget, it was concerned at the decrease in the level of resources proposed for activities of importance to developing countries. Each priority area must receive equal attention and equitable resources.

38. Member States must ensure that the Organization received adequate financial resources. There was an urgent need to resolve the financial crisis, which threatened the effectiveness of the Organization as a whole. Essentially, the problem was caused by the late payment of assessed contributions, on the one hand, and the dramatic growth in peace-keeping operations on the other.

39. His Government, as one of those which had fully met its financial obligations, found it unacceptable for the majority of Members to approve programmes, appropriations and assessments without honouring their obligations. The United Nations could only be as effective as Member States allowed it to be. It was inconceivable that it should be denied the funds it needed to carry out its functions.

40. Mr. AYADI (Algeria) said that his delegation fully appreciated the perseverance of the Secretary-General in seeking to improve the effectiveness of the Organization in the attainment of Charter objectives. The budget constituted the legal instrument by which Member States determined the resources needed for the implementation of the mandates entrusted to the Organization. Special attention and cooperation were therefore required if the consensus needed for decision-making on budgetary matters was to emerge.

41. His delegation agreed that control of expenditure was essential, provided that it did not affect mandates or programme implementation, which could not be sacrificed on the altar of management. The programming of economic cooperation activities must continue in accordance with the medium-term plan, which remained the Organization's principal policy directive. In that context the inclusion of internal oversight as a priority activity seemed questionable.

42. Moreover, the budget proposals did not equitably reflect the concerns of the General Assembly with regard to development activities. In particular, Africa was accorded attention which fell far short of its immense needs; a careful analysis of the proposals relating to that continent revealed an absence of adequate programming and coordination. Activities to promote the development of Africa must be given priority, programmes must be action-oriented and additional resources must be made available for programme implementation.

43. In more general terms, additional resources would also be required for the new mandates adopted by Member States. For example, the Secretary-General would require resources to discharge the new mandates resulting from the adoption of the Declaration on Measures to Eliminate International Terrorism.

44. At a time when the needs of the international community were growing in scope and complexity, continued adherence to the policy of negative growth was cause for concern. The United Nations was faced with increased responsibilities but was not being accorded additional resources. The impact on programme delivery was not yet apparent. In the meantime, the Organization must rationalize without imperilling programmes. Possible measures to that end might include a reduction in the number of General Service posts at Headquarters, and a reassessment of the status of permanent consultants.

45. In the Organization's difficult financial situation there was certainly scope for further rationalization. Such a policy was no substitute, however, for the guaranteed provision of sure, predictable and available resources commensurate with the increasing responsibilities of the United Nations. The answer lay in the full and timely payment of assessed contributions, without conditions, by all Member States.

The meeting rose at 11.35 a.m.

UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
6th meeting
held on
Thursday, 12 October 1995
at 3 p.m.
New York

SUMMARY RECORD OF THE 6th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 3.10 p.m.

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued)

1. Mr. MUÑOZ (Spain), speaking on behalf of the European Union, the Czech Republic and Lithuania, said that the report of the Committee on Contributions (A/50/11) was of special interest because, although a scale of assessments would not be established at the current session, the report addressed methodological questions of great importance with respect to future criteria for the financing mechanism of the United Nations. The report was a response to the request made by the General Assembly in resolutions 48/223 C and 49/19 A, which stated that the Committee on Contributions should take into account the report of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay. The report of the Committee on Contributions did not address all the questions examined by the Working Group since the comprehensive review of the latter's report by the Committee on Contributions would take place at the Committee's fifty-sixth session and would be submitted to the General Assembly by the end of its fiftieth session.

2. The considerations and recommendations of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay, arrived at following its review of the methodology currently employed for the scale of assessments, would undoubtedly serve as a basis for decisions that could improve the application of the principle of capacity to pay. Nevertheless, the European Union wished that the Working Group had had time to study new proposals relating to elements other than those that made up the current methodology.

3. The States members of the European Union fully supported the United Nations. In the financial sphere, that support took the form of the full, prompt and unconditional fulfilment of their financial obligations. In 1995, the European Union was contributing 34.39 per cent of the total regular budget of the Organization. In 1996 and 1997 that percentage would be increased to 35.2825 per cent and 35.41 per cent, respectively, which represented by far the largest contribution to the United Nations. For that reason, the European Union was particularly interested in any discussion in which the problem of the assessments methodology was addressed. The scale of assessments should be the result of a system based on the capacity to pay of the Member States, applied according to the criteria of fairness, objectivity and coherence. It was of the utmost importance that the relevant decisions should be taken by consensus, as had been case for the current scale.

4. The scale of assessments, despite taking into account the relative wealth of the different States, should in no case be regarded as a procedure for income redistribution among States, but rather as a system of shared responsibility in the multinational endeavour that was the United Nations. The method for determining assessments should be stable and based on reliable, transparent and comparable data which reflected reality as closely as possible, avoiding the repeated adjustments that had become the norm in the past few years and the tendency occasionally to attempt to change certain elements with the aim of

attaining or maintaining unjustified advantages for some Member States at the expense of others.

5. The European Union believed that the basic element for measuring the capacity to pay was the annual income of each State, the most appropriate expression of which would be, as stated in paragraph 49 of the report of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay, gross national product (GNP) because of its availability, simplicity and comparability. In that regard, the European Union, which supported the use of that variable for measuring capacity to pay, also pointed out that the results obtained using that measure produced hardly any quantitative difference for most countries. For the members of the European Union as a whole, the application of that variable was slightly disadvantageous.

6. With regard to the base period, the European Union had supported a short statistical base since, in its view, a short period made for a better correlation between the current capacity to pay and the assessment of each Member State. That general criterion could be qualified in order to avoid sudden changes and lack of stability in the contributions of some Member States. In that connection, the European Union supported the recommendations in paragraph 76 of the report of the Ad Hoc Intergovernmental Working Group.

7. With regard to the scheme of limits, the European Union believed that the remaining 50 per cent of that element which distorted the capacity to pay should be eliminated pursuant to the relevant General Assembly resolutions. With regard to the frequency of scale calculation, the European Union concurred in the view expressed in paragraph 77 of the Working Group's report regarding the annual updating of the scale of assessments for information purposes.

8. Concerning the exchange rates for converting local currency into United States dollars, the European Union reaffirmed its support for the Working Group's recommendation on the use of the market exchange rates and agreed with the proposal of the Committee on Contributions to study appropriate criteria for replacing those rates when their use resulted in excessive fluctuations or distortions in the contributions of some Member States. In that regard, the European Union agreed with the suggestions included in paragraph 97 of the report of the Working Group regarding the desirability of making efforts to improve purchasing power parity (PPP) data collection and of pursuing the study of PPP methodology and theory.

9. The European Union supported the recommendation included in paragraph 114 of the report of the Ad Hoc Intergovernmental Working Group, which the Committee on Contributions had endorsed in paragraph 38 of its report, regarding rounding or use of more than two decimal places in determining and quantifying the contributions of the Member States. There were other elements that were significant in the current methodology, such as the low per capita income adjustment or external debt adjustment and the ceiling and floor levels, on which no concrete proposals were made in the report of the Committee on Contributions. The Working Group had likewise not analysed the ceiling and floor levels since it noted that the decisions to establish those limits as elements of the methodology for the determination of the scale had been taken by the General Assembly on non-technical grounds.

10. Regarding the low per capita income adjustment, the European Union shared the view of the Ad Hoc Intergovernmental Working Group that that adjustment should continue to be applied. As it had stated before, the European Union felt that the gradient used for adjustment purposes should be reviewed and reduced since it was the main distorting element of the current methodology of the scale of assessments, or, alternatively, should be replaced by a new system which prevented such relief from resulting in disparities between the assessment of each Member State and its share of world income in excess of a specified level.

11. With regard to the external debt adjustment, the European Union regretted that the Ad Hoc Intergovernmental Working Group had not been able to reach a common position on how to deal with that aspect of the methodology, and it shared the views stated by some members of the Working Group and of the Committee on Contributions. If gross national product (GNP) was accepted as the measurement of each Member's capacity to pay, such an adjustment became unnecessary since GNP took into account debt-servicing payments. Furthermore, it should be pointed out, as had been done in the report of the Ad Hoc Intergovernmental Working Group, that there were defects in the current procedures for applying that adjustment since it was calculated on the basis of a pre-established debt repayment rate without taking into account the actual payments made

12. With regard to the floor rate, the Committee on Contributions had recognized in its report that the distortions entailed by the current floor rate in the capacity to pay of many Member States could be rectified in part by lowering the floor. The European Union agreed with the Committee on Contributions. Its position regarding that component of the methodology was that it should be carefully examined with a view to its reduction or elimination, bearing in mind the principle of the sovereign equality of all Member States.

13. With regard to the ceiling, although neither the Committee on Contributions nor the Ad Hoc Intergovernmental Working Group had addressed the issue, the European Union took the view that the ceiling was quantitatively the second most important distorting factor. Nevertheless, it considered it appropriate to maintain the principle that the Organization should not excessively rely on a single Member and that the ceiling should therefore be respected or maintained at its current level. The European Union wished to point out that maintenance of the ceiling implied an increase of 275 points in the contributions of its members, representing 50 per cent of the distorting effect of that element.

14. Lastly, he reiterated that the States members of the European Union were willing to collaborate in finding a solution to the financial problems, including improvements in the methodology of the scale of assessments for the regular budget so that it better reflected the capacity to pay of Member States. That debate could take place in the High-level Open-ended Working Group on the Financial Situation of the United Nations or in the Fifth Committee. The European Union believed that, in view of the Organization's cash-flow crisis, it was essential to bear in mind that any reform of the scale of assessments of the regular budget would have significant implications for the scale of assessments for peace-keeping operations. It also wished to point out that, in the current

financial situation, any decision regarding Article 19 of the Charter should include a commitment to the provision and fulfilment of a payment plan.

15. Mr. GOLOVATY (Russian Federation) shared the deep concern about the financial situation of the United Nations expressed in particular by the Secretary-General in his recent address to the Fifth Committee when he had presented his budget proposals for the biennium 1996-1997. All parties should make every effort to rectify the situation with regard to the financing of the United Nations that had arisen on the eve of the Organization's fiftieth anniversary.

16. Unfortunately, the financial strains currently afflicting the Organization were so acute as to defy comparison with previous difficult periods, which had to some extent become the norm in the life of the United Nations. It was therefore necessary to mobilize all States without delay in a joint effort to eliminate a whole series of problems underlying the financial crisis.

17. The Russian Federation considered that the root cause of the problem was the unfair mechanism of apportionment of expenses among Member States for United Nations activities, particularly for peace-keeping operations, whose aggregate budget was almost three times as much as the Organization's regular budget. The need to improve the scale of assessments for the regular budget had long been recognized. The Committee on Contributions had made specific recommendations to that end, some ideas had been developed in the High-level Open-ended Working Group on the Financial Situation of the United Nations and various options for reform had been discussed in the Fifth Committee. The time had come, it seemed, for specific action on the basis of the work accomplished and of existing recommendations.

18. The Russian Federation supported the approaches to improving the methodology of assessment of Member States' contributions set out in the report of the Committee on Contributions. The principle of capacity to pay was the cornerstone of the apportionment mechanism and was the fundamental criterion for determining the scale of assessments, as repeatedly confirmed by the General Assembly. In that connection, he drew attention to the valuable work of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay, whose report contained a number of ideas and views that could help to achieve real rather than theoretical progress in improving the scale of assessments, thereby amply contributing to the solution of the current financial problems of the United Nations.

19. The Russian Federation saw the need for certain changes. Firstly, a three-year base period should be introduced, or, rather, restored. It agreed with the view expressed by the Ad Hoc Intergovernmental Working Group in its report to the effect that the change in the base period from three to seven, ten and, finally, seven and a half years had led to certain anomalies in the scale of assessments. Given that the scale of assessment period remained three years, it seemed appropriate to use a three-year base period too. Secondly, such a change would affect the use of gross national product indicators to determine States' capacity to pay, greatly simplifying the procedure, as noted in paragraph 14 of the report of the Committee on Contributions. Thirdly, the desirability of using official market exchange rates should be considered. Lastly, there was an

urgent need to phase out the scheme of limits. As noted in the report of the Committee on Contributions, the scheme of limits was the most distorting element in the scale currently applied.

20. The Russian Federation was convinced that improvement of the assessment methodology and of the apportionment of United Nations expenses among Member States was of vital importance in addressing the issue of the Organization's financial well-being. He noted, however, that his delegation was not pursuing any time-serving goals in calling for the earliest possible harmonization of the assessment methodology. In the view of the Russian Federation, the key factor was the capacity to pay of Member States, a principle that it would strictly adhere to in its policy on the issue.

21. It understood, however, that in practice the existence and efficient functioning of the Organization depended entirely on fulfilment by Member States of their financial obligations. The Russian Federation was strictly abiding by its plans for the payment of its arrears of contributions to the United Nations. He stressed that for the past three years, including 1995, it had paid in full the annual contributions assessed with respect to the regular budget. In the last two years, the amount of its payments to the United Nations had exceeded that of its assessed contributions for that period. In other words, the arrears of the Russian Federation were showing a downward trend. Moreover, in accordance with the instructions of the President of the Russian Federation, work on the establishment of a schedule for clearance of arrears was nearing completion. It was quite possible that the specific results of that work could be reported to the General Assembly before long.

22. At a time when the Organization's cash-flow situation was extremely serious, the Russian Federation had already contributed in early October a sum of more than US$ 80 million to the regular budget and peace-keeping operations of the United Nations despite its well-known economic difficulties.

23. The Russian Federation could not help being concerned about the critical financial situation of the United Nations since it attached particular importance to the efficient functioning of the Organization, which was impossible without adequate material support from its Member States. Given that the mandate of the High-level Open-ended Working Group on the Financial Situation of the United Nations had been extended for at least a year, it would be appropriate for that body to speed up the preparation of specific recommendations. Combining them with the work already done by the Committee on Contributions would make it possible to submit specific proposals to the General Assembly shortly on reform of the system of apportionment of United Nations expenses among its Member States. In that connection, he shared the view expressed by the Secretary-General of the United Nations in paragraph 158 of the report on the work of the Organization to the effect that "the objective of the Working Group ... is to bring about constructive and positive changes to provide the Organization with a long-sought-after solid financial base". The Russian Federation, for its part, was ready for comprehensive cooperation to that end with other delegations.

24. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that, since he had last spoken in the Fifth Committee on 12 September, a number

of Member States had made payments for peace-keeping operations and the regular budget. The payments received had merely reduced the amount owed to the Organization. In the past few weeks approximately 30 Member States had made payments to the regular budget, including $25 million from Brazil and $21 million from the Russian Federation. As a result of those payments, the level of borrowing from peace-keeping operations to cover regular-budget expenditures to the end of the year would be slightly lower than previously projected. However, unless significant contributions were received for the regular budget, the amount to be borrowed from peace-keeping operations would continue to increase to around $200 million in November.

25. With regard to peace-keeping operations, arrearage payments in excess of the 12 September forecast had been received, including $61 million from the Russian Federation, $26 million from the United States and $12 million from Brazil. The United States had also remitted the remaining instalment payment of amounts legislated a year ago. The latter payment had been anticipated when the 12 September forecast had been prepared.

26. In the light of those payments, and the reduction in the need to increase loans to the regular budget at the current stage, the Secretary-General had decided to make a modest, long-overdue payment of $150 million to troop-contributing countries. The Secretary-General trusted that the reimbursement would help those Member States which were experiencing the greatest difficulties as a result of the suspension of payments in May. Even with that payment, the United Nations would still owe troop contributors some $900 million at the end of October and some $1.1 billion by the end of the year.

AGENDA ITEM 119: PATTERN OF CONFERENCES (continued) (A/50/32, A/50/288, A/50/263 and Add.1 and A/50/404)

27. Mr. BIRENBAUM (United States of America) said that, since his Government had long been concerned that conferences, meetings and the production of documents in the United Nations had become an end in itself, it took particular interest in ensuring the most efficient and cost-effective use of conference services and documentation. The present crisis, which the Secretariat had repeatedly called "a capacity crisis", might better be described as a demand crisis caused by an incessant and ever-growing demand for more and more meetings and reports at great cost and little gain to the Organization and its Member States.

28. By the end of 1995 in the current biennial calendar, approximately 7,290 meetings would have been held, an increase of 1,150 over what had been expected when the 1994-1995 calendar had been planned. During that same period, the Secretariat expected to spend $295 million on the cost of producing documents in New York and Geneva, a figure significantly higher than that of the previous biennium. That explosion of demand for conference services made it necessary for the United Nations to use its resources with maximum efficiency. Most importantly, Member States must make a real effort to re-examine their demand for such resources.

29. The United States applauded the Secretariat's efforts aimed at streamlining conference servicing, especially the use of technological advancements to

improve efficiency. However, the problem went beyond the issue of efficient utilization of resources. Underutilization might or might not mean that the body concerned was no longer relevant; that should be examined closely. With respect to the prioritization of the work of the United Nations, every effort should be made to identify bodies which had become obsolete or had outlived their usefulness. The answer lay not in more meetings and more paper, but rather in a serious effort to re-examine the need for such services. Each subsidiary body of the United Nations should be asked not only to undertake a review of its demand for conference resources, but to review its mandate to determine whether it remained relevant to the work of the Organization.

30. The pattern of consumption of reports and other documentation was an issue which had evaded review for several years. His delegation would make concrete proposals relating to responsible requests for Secretariat reports during the debate on the Secretary-General's report on the work of the Organization.

31. His delegation was encouraged by the ongoing efforts of the Economic and Social Council to rationalize its work and supported the expansion of such initiatives to the rest of the Organization, since they could have a major impact on aligning demand for conference services with the real needs of the Organization and its Member States. That would translate into better service and lower cost.

32. Concerning meeting utilization factors of United Nations bodies, his delegation fully supported recommendations for continued consultation with the chairpersons and officers of committees which were utilizing less than 80 per cent of their services and looked forward to a report on measures taken to achieve greater efficiency. Furthermore, the Office of Conference and Support Services should look into means of dovetailing meetings which concluded early with other meetings which were not expected to last three full hours.

33. The lack of an accurate cost accounting system for conference services, in particular translation services, was a continuing problem which made serious cost-benefit analysis of the use of existing United Nations resources extremely difficult. It would therefore be highly desirable for the Office of Conference Services and the Office of Programme Planning, Budget and Accounts to develop, as soon as possible, a cost accounting system which measured accurately the use of United Nations resources. In that connection, his delegation looked forward to two significant reports requested in paragraphs 46 and 50 of the Committee on Conferences (A/50/32), which could shed light on the costs of underutilization of existing resources and the comparative costs of various ways of providing translation services. In that connection, he drew the Committee's attention to the comments of the Board of Auditor's on the Office of Conference and Support Services contained in document A/49/5 relating to the extensive reliance on non-local temporary assistance staff and the procedures for contracting translation work which had not elicited wide participation by highly proficient translators. The printing process was another area where improvement was needed in the use of resources, since the levels of paper spoilage were higher than industry averages. For all that, the Committee's recommendations only skimmed the surface of an issue which needed further in-depth study.

34. Encouraging progress had been achieved in the introduction of technological advancements aimed at reducing costs; the use of such technology should be expanded. For example, the use of data links to transmit translation work to Headquarters, thus eliminating the need to send translators to the meetings, was laudable. His delegation also looked forward to updated reports on the use of the optical disk and computer-assisted translation.

35. Concerning the draft calendar of conferences and meetings of the subsidiary organs of the Economic and Social Council for 1996-1997, his delegation supported paragraph 60 of the recommendations of the Committee on Conferences and looked forward to the results of the consultations to be held during the resumed session of the Economic and Social Council regarding efforts to biennialize the sessions of the minority of subsidiary bodies which still met annually. Finally, he drew attention to the efforts made by the Committee on the Peaceful Uses of Outer Space to find innovative ways to cut costs and alleviate some of the demands on conference services. In that connection, that Committee's decision to replace verbatim records with unedited transcripts would save $7,300 per meeting record. That was a clear example of using technology to effect cost savings without compromising the quality of the Organization's work or the needs of Member States and his Government hoped that the highly qualified staff of the Office of Conference and Support Services would continue in that vein to consult with United Nations bodies on a more effective use of available resources.

The meeting rose at 3.55 p.m.

UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
7th meeting
held on
Tuesday, 17 October 1995
at 10 a.m.
New York

SUMMARY RECORD OF THE 7th MEETING

Chairman: Mr. AMARI (Tunisia)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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In the absence of Mr. Vilchez Asher (Nicaragua), Mr. Amari (Tunisia), Vice-Chairman, took the Chair.

The meeting was called to order at 10.10 a.m.

AGENDA ITEM 119: PATTERN OF CONFERENCES (continued) (A/50/32, A/50/263 and Add.1, A/50/288 and A/50/404; A/AC.172/162)

1. Mr. VALENCIA (Ecuador), speaking on behalf of the Rio Group (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela), endorsed the recommendations of the Committee on Conferences concerning the calendar of conferences and meetings for 1996-1997.

2. While it was concerned by the underutilization of conference services, the Rio Group regarded those statistics as merely one of several parameters. Only an overall analysis could lead to appropriate decisions; for that reason, the Group supported the Committee's recommendations aimed at refining the methodology for calculating utilization factors and developing a cost-accounting system for conference services. He further emphasized that economy measures should not affect the quality of translation services.

3. With respect to the report of the Committee on Conferences (A/50/32), he said that, while the Group noted the content of paragraph 60, it believed that it would be useful to consult the subsidiary bodies concerned. It endorsed the recommendations contained in paragraphs 72 to 75 and awaited with interest the views of the Committee on the Peaceful Uses of Outer Space concerning the replacement of verbatim records by unedited transcripts. Finally, the Group was in favour of the adoption of technological innovations on the conditions stated in paragraph 86 of the report of the Committee on Conferences.

4. The Rio Group welcomed the fact that the Committee had recalled the principle of the equality of the official languages and emphasized the need for strict compliance with the resolutions and rules establishing language arrangements for the different organs of the United Nations. That meant that the necessary resources should be made available for the translation of documents into the different official languages and for their simultaneous distribution in those languages.

5. The Group wished to thank the Secretariat for the initiatives it had taken in accordance with General Assembly resolution 49/221 D to enable Member States to hold a greater number of bilateral meetings and contacts.

6. Mr. GODA (Japan) stressed the importance of conference services for the smooth operation of the policy-making bodies of the United Nations. Given the current wasteful use of resources and the critical financial situation of the United Nations, efforts should be made to pursue greater cost-effectiveness and efficiency in the planning and utilization of those services.

7. His delegation was, in principle, ready to adopt the draft calendar of conferences and meetings for 1996-1997, but wished to note that, in view of the cost of international conferences, the need for such events should be studied

before a decision was taken to convene them and before actual planning commenced.

8. With regard to the utilization of conference services, his delegation wished to point out that, for all the Main Committees of the General Assembly, including the Fifth Committee, which should serve as a model, utilization had fallen below the benchmark. It strongly supported the measures taken by the Committee on Conferences and called on all parties concerned to be more cost-conscious. The number of meetings should be reduced and the utilization of meetings services enhanced. The Secretariat should develop a cost-accounting system that would facilitate consideration of the subject.

9. While the uneven distribution of capacity utilization at the different duty stations was regrettable, the overall cost of conferences should be taken into account. As far as translation was concerned, the conclusions in paragraphs 45 and 46 of the Committee's report were excellent, but economy measures should be carefully reviewed. As for documentation, his delegation would be interested in discussing concrete ways of reducing the number of documents distributed, and hoped that that subject would be included as a priority item on the Committee's agenda. The Secretariat should make greater use of contractual services for the translation and printing of documents and adjust the number of copies to actual demand.

10. His delegation welcomed the fact that the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples had opted for summary records. It had reservations, however, about the decision of the Committee on the Peaceful Uses of Outer Space to replace its verbatim records with unedited transcripts. Since that step was unprecedented, its usefulness and cost-effectiveness should be carefully studied.

11. His delegation welcomed the introduction by the Secretariat of new technology to improve the quality of services and reduce costs. Further initiatives should be taken and the effectiveness and utilization of such technology should be monitored.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued) (A/50/6 (Vol. I and II), A/50/7 and A/50/16)

12. Mr. ALOM (Bangladesh) said that his delegation associated itself with the statement made by the representative of the Philippines on behalf of the Group of 77 and China. In view of the financial crisis and the need to enhance the administrative efficiency of the Organization, the proposed budget adjustments appeared at first sight to be justified. They would be meaningless, however, unless, following the adoption of the budget, Member States paid their assessed contributions in full and on time. The financial crisis was due not to a budget deficit, but to arrears. In that connection, it was regrettable that funds had been borrowed from peace-keeping operations in order to offset the cash shortage at the expense of poor countries.

13. Bangladesh was, on the whole, satisfied with the proposed budget structure, but had some reservations concerning the allocation of resources. The budget

allocations did not fully reflect the priorities set out in the Medium-term Plan and approved by the General Assembly in resolutions 45/253 and 47/213. Preventive diplomacy, peace-keeping, human rights and humanitarian affairs had, for instance, received particular attention, whereas international and regional cooperation for development, although identified as priority areas, had not been allocated additional resources. While preventive diplomacy and peacemaking were cost-effective for the maintenance of international peace and security, any new initiative on the subject should await the decisions on the supplement to an "Agenda for Peace".

14. Economic development should receive first priority, since it was the guarantee of social stability. Compared with other programmes, however, the resources devoted to development programmes had been scaled down, and no adequate provision had been made for a concerted follow-up to the Plans of Action adopted at the recent international conferences and summit meetings on the environment, population, social development and women.

15. The establishment of a budget section to deal with African economic recovery and development was an excellent initiative. It was important, however, to provide the necessary resources for carrying out all priority programmes. The proposed increases in resources related primarily to three priority areas. The economic and social sector was not included, on the pretext that its reorganization would result in economies of scale. Such economies, however, would hardly suffice to meet the enormous needs of developing countries, particularly the least developed countries. Additional resources must therefore be allocated for activities for the benefit of those countries.

16. The proposed programme budget did not facilitate an assessment of the proposals for the redistribution, creation and suppression of posts. For the consideration of individual sections of the budget, the Secretariat should distribute an organizational chart of each department, with justification for its proposals. As far as human resources were concerned, it was important to restore conditions of service which would be capable of attracting and retaining competent staff. The principle of equitable geographical representation should in any event be maintained.

17. The level of resources proposed for internal oversight should not be increased at the expense of other mandated activities of the Organization.

18. Mr. SOYEJU (Nigeria) said that his delegation associated itself with the statement made by the representative of the Philippines on behalf of the Group of 77 and China. He emphasized the need to give special attention to areas of particular interest to developing countries, particularly Africa, such as protection of the environment, economic development and crime prevention. Although the resources allocated to such areas had been increased slightly, they were still inadequate. His delegation hoped, moreover, that the resources allocated to certain activities which were not regarded as priorities by the General Assembly would not be increased at the expense of other activities mandated by Member States. It called for the allocation of adequate resources to the United Nations Conference on Trade and Development (UNCTAD) and other agencies which were responsible for assisting developing countries in dealing with issues relating to trade, the environment and technology.

19. His delegation noted that the proposed budget was lower than the previous one and that the difference between the proposed budget and the recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) was approximately $18 million gross. It was pleased to note that concerted efforts had been made to rationalize the programme of work, improve productivity, particularly in conference services, simplify procedures and reduce operating expenses. It also took note of the strong commitment evinced by the Secretary-General in that regard, but hoped that the reduction of the programme budget would not affect the implementation of mandated activities and that the reduction in the number of established posts would not be offset by the creation of new posts with a different nomenclature.

20. In view of the significant increase in peace-keeping activities, the Department of Peace-keeping Operations should be adequately funded. His delegation had taken note of the Secretary-General's proposals in that regard and hoped that the Department would strive to administer peace-keeping operations with a maximum of efficiency and economy.

21. Nigeria was greatly concerned about the financial situation of the Organization, which adversely affected its credibility and effectiveness. Borrowing from peace-keeping accounts was liable to delay the reimbursement of sums owed to troop-contributing countries such as Nigeria. The refusal by some Member States to pay their contributions for political reasons was contrary to the letter and spirit of the Charter of the United Nations. Nigeria called on Member States which were in arrears to pay what they owed as soon as possible.

22. Mr. WARDHANA (Indonesia) said that his delegation fully subscribed to the views expressed by the representative of the Philippines on behalf of the Group of 77 and China. It deplored the fact that a dark shadow had been cast over the commemoration of the Organization's fiftieth anniversary by a severe financial crisis, which was due primarily to the failure of some Member States, in particular a major contributor, to pay their contributions. The creation of a mission-driven and result-oriented Organization would not be possible unless Member States paid their assessed contributions in full and on time.

23. His delegation had noted the budgetary reductions and the reductions in the number of posts proposed by the Secretary-General, but it hoped that those reductions were not considered a primary goal of restructuring. It further noted that income estimates were $29.3 million higher than those approved for the period 1994-1995.

24. His delegation supported, in principle, the overall priorities set by the Secretary-General in his proposed programme budget and welcomed his efforts to minimize expenses without compromising the quality of the services provided to Member States or the execution of mandated activities. It was concerned, however, at the decrease in the resources proposed for activities important to developing countries and stressed that the reduction in the budget achieved through increased productivity should not have an adverse effect on the implementation of the activities of UNCTAD and the United Nations Industrial Development Organization (UNIDO) or any other mandated activity.

25. His delegation welcomed the measures proposed by the Secretary-General to strengthen the follow-up activities to the major international conferences and the work of the regional commissions, as well as the proposed increase of $287,000 in the resources for the Economic and Social Commission for Asia and the Pacific (ESCAP).

26. Mr. BLUKIS (Latvia) said that his delegation aligned itself with the statement made by Spain on behalf of the European Union. He welcomed the new format of part I of the proposed programme budget, but drew attention to some problems relating to both its format and its substance.

27. His delegation agreed with the views expressed by the Advisory Committee in paragraph 5 of its report (A/50/7) that part I should evolve into a self-contained document and that the narrative needed to be more specific so as to facilitate decision-making, and it supported the recommendations and observations contained in paragraphs 6 to 10 of that report.

28. Part I should contain a glossary of the terms used and an explanation of the relationship between terms such as part, section and programme budget. It would also be helpful to have graphs comparing data across two or three bienniums and diagrams showing the relationship between the data in tables 1 to 10 of part I.

29. The information contained in part I should be more specific. In particular, the headings used in the tables should be less general and the results to be achieved should be indicated in more specific terms. A brief description of the results achieved in previous bienniums would make it easier to assess the probability of achieving the goals established.

30. With regard to the cost-benefit ratio, his delegation observed that Member States sometimes bore very different costs despite similar levels of development. Annex IV to the report of the Committee on Contributions (A/50/11) showed that the ratio of the assessment of a Member State to its share of world income varied over a more than tenfold range for countries with similar per capita incomes. One consequence of that variation, which was contrary to the principle of the sovereign equality of Members, was that the same benefits might be perceived very differently by different countries.

31. Mr. SYCHOU (Belarus) welcomed the fact that delegations had been able to debate the proposed programme budget already at the session of the Committee for Programme and Coordination (CPC). The presentation of the new programme budget was an improvement on the one for the biennium 1994-1995.

32. The assignment of additional resources to a number of priority areas (political affairs, international and regional cooperation for development, human rights, humanitarian affairs and internal monitoring) was an important practical step, because the focusing of resources should make it easier to achieve the targets which had been set, while taking account of the financial situation of the United Nations.

33. Although internal monitoring was not strictly speaking a priority programme, Belarus was not opposed to allocating additional resources to the

Office of Internal Oversight Services, although it hoped that the importance of the programme would be reviewed in the light of the results achieved.

34. Belarus welcomed the fact that the budget package for the biennium 1996-1997 was 3.8 per cent lower than for the previous biennium, particularly if it was shown that the economy measures which the Secretariat had envisaged were compatible with the General Assembly's mandated activities. An effort should be made to achieve additional savings over and above the recommendations put forward by the Advisory Committee.

35. Member States had differing views on financial reform at the United Nations. However, Belarus was in favour of zero growth, pending radical reform of the apportionment of expenditure, including expenditure on peace-keeping, between Member States. The budgetary, financial and administrative reforms which had been undertaken over the previous two years could not produce immediate results. New initiatives should be taken in the meantime to make the best use of existing resources. The new proposed programme budget stressed the importance of financial management and personnel management as a means of improving the working of the Organization. Reform would not be a totally painless process, but neither should it be a source of uncertainty and uneasiness for experienced and responsible staff. It was to be hoped that the new grading system for United Nations staff would not turn into yet another bureaucratic process.

36. Belarus welcomed the fact that the Department for Economic and Social Information on Policy Analysis would be turning its attention to the countries of Central and Eastern Europe and the former Soviet republics. The Department should make a close study of the role of the market and the State in economic and social development, and examine the economic and social reforms being carried out in States in transition. Belarus was also pleased to see that a support group, whose functions were listed in section 9.8 of the proposed programme budget, had been created inside the Department for Development Support and Management Services to offer help with reconstruction and development.

37. Mr. JALOMAYO (Uganda) said that his delegation associated itself fully with the views expressed by the representative of the Philippines, on behalf of the Group of 77 and China, and the previous statements made by representatives of other developing countries. The Ugandan delegation noted that the programme budget had been set at a lower level than both the revised appropriations for the biennium 1994-1995 and the programme budget outline for the biennium 1996-1997. It was regrettable that the efficiency gains on which the savings were based had not been more clearly described. The Secretariat should provide detailed information on that matter immediately, preferably in a conference room paper. Information should also be provided on the nature and scale of the proposed reductions and their impact on key activities which had been approved by the General Assembly.

38. While savings had to be made, that should not be seen as an end in itself. Uganda had always supported measures aimed at improving efficiency and reducing costs, but on condition that they did not adversely affect the implementation of mandated activities. The best way to make savings was not by changing or delaying activities but by adopting measures such as those mentioned in

paragraph 19 of the Advisory Committee report (A/50/7), and by improving coordination within the Secretariat. The Advisory Committee report had suggested that there should be a review of activities involving a duplication of work, so that they could be eliminated. It was important to remember that, according to General Assembly resolution 41/213, which had marked the beginning of the reform process, the Secretary-General could implement recommendations for reform only if they did not adversely affect approved projects and programmes, otherwise he would be required to seek the authorization of the Assembly before proceeding. That principle remained valid. The proposed budget made no mention of the impact that the proposed reductions would have on approved programmes, nor did it describe the implications of transferring resources from one section to another. Some proposals, which would effectively alter or discontinue certain activities on the pretext that they were of little interest, were very much out of keeping with the spirit and letter of resolution 41/213.

39. Thus, Uganda endorsed the observations made by the Advisory Committee in paragraphs 19 (final sentence) and 47 of its report. Those observations equally applied to the proposals for a net reduction in the number of posts, and for the redeployment of posts. The Secretariat should provide information on the legislative mandate and programmatic justification for each redeployment, as well as its programmatic justification and impact on the programme of work, in each of the departments concerned.

40. Extrabudgetary resources were a useful, indeed indispensable, source of additional financing, but had often adversely affected the priorities and activities of the Organization. The Ugandan delegation endorsed the views on that subject expressed by the Advisory Committee in paragraph 66 of its report, and looked forward to receiving the additional information requested from the Secretariat.

41. Although it recognized the usefulness of contingency funds, the Ugandan delegation endorsed the views expressed by the Advisory Committee in paragraph 120 of its report, stating the need for a review of procedures for the use, operation and level of the funds, as stipulated in paragraph 7 of General Assembly resolution 49/217. The Secretariat should provide the information requested so that the General Assembly could take a decision on the matter when considering the proposed programme budget for the biennium 1996-1997.

42. Recalling that other Main Committees had tended in recent years to interfere in administrative and budgetary questions, thereby creating a certain amount of confusion, the Ugandan delegation urged the other Committees to adhere to the provisions of section VI of General Assembly resolution 45/248 B.

AGENDA ITEM 158: PROGRAMME PLANNING (continued) (A/49/16, A/49/301 and A/49/958; A/50/16)

43. Mr. BIRENBAUM (United States of America) said that, in common with many others, his delegation believed that the current medium-term plan format was far too elaborate. He could therefore only renew his support for the Secretary-General's proposal to replace it with a conceptual, strategic document setting policy for implementation in the programme budgets of the United Nations. As a key tool of the strategic planning process the plan would ensure that the

responsibilities of the directors of programmes were clearly defined. The departments would only have to turn to it in order to know exactly what the objectives and mandates of their activities were, and the Member States would be better able to determine what they had the right to expect from each department.

44. In order to be an effective tool, the policy document entitled "Perspectives" should reflect the evolving priorities of the United Nations. If the perspective was for four years, instead of six as at present, the plan would reflect the current thinking of Member States more accurately. The programme framework, which would set out the major programmes and subprogrammes, would take its cue from the overall perspective. By reviewing that framework every two years, in off-budget years, Member States would be able to ensure that it reflected current priorities, thereby facilitating preparation of the next biennial budget request.

45. In paragraph 91 of his report on the work of the Organization (A/50/1), the Secretary-General had stressed the need for a "performance measurement system by which programme managers [were] held accountable for achieving the strategic priorities". While welcoming that statement, his delegation considered it equally important to evaluate the results of the programmes themselves, which presupposed a more specific and tangible identification of the outputs and outcomes expected than in the prototype programme included in annex I of document A/49/301. It therefore hoped that the Secretary-General could give an assurance that the new medium-term plan would reflect that requirement.

46. The fiftieth session of the General Assembly should prove a turning point. Some programmes had been carried on for a long time for no reason; that must finally be recognized, and the limited resources at the disposal of the United Nations should be spent on high-priority activities. The new medium-term plan and the other current reforms should help to make the United Nations more effective with fewer resources.

47. Mr. ALOM (Bangladesh) said he subscribed to the considerations which had formed the basis for working out a new format for the medium-term plan, and noted with satisfaction that they reflected a new approach to planning, based upon the need to respond to demand with the necessary flexibility. However, some points were still vague, such as the arrangements and systems to be put in place, the evaluation of results and the method of evaluation of programmes, and the links between planned output and the results obtained. In principle, the objectives to be achieved and the expected results for each subprogramme over the four years of the plan would be defined by the planning framework, but that was not clear from the prototype. The relationship between the medium-term plan and the biennial budget had not been properly worked out. It was not clear how the Secretariat could consolidate the subprogrammes and reduce their total number without any impact on the activities mandated by the legislative bodies.

48. Notwithstanding those observations, his delegation was prepared to study the possibility of adopting the new format of the medium-term plan on the understanding that annexes I and II of the report of the Secretary-General were purely illustrative, that the relevant legislative mandates would be indicated in the narrative of the programme and that all the activities mandated by the legislative bodies would be reflected in the narrative of the subprogrammes.

Like the Advisory Committee, he considered that changes should be made to the Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. He requested the Secretariat to explain why some programmes would be divided between several administrative units while others would be consolidated. Lastly, before recommending that the medium-term plan and the budget outline should be merged, he hoped that the links between the two documents would be clarified.

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/49/897; A/50/11)

49. Mr. SHARP (Australia), speaking on behalf of Australia, Canada and New Zealand, stressed that while reform of the scale of assessments was necessary, it was not of itself sufficient to resolve the financial crisis brought about by the widespread failure of Member States to pay their assessed contributions in full, on time and without condition.

50. One anomaly in the current scale was the continuing over-assessment of the 22 countries that had been formerly parts of the Soviet Union, the Socialist Federal Republic of Yugoslavia and Czechoslovakia. While their assessments had been reduced, following the removal of 50 per cent of the effects of the scheme of limits in the current scale, they were still too high and only the full removal of the scheme could bring them down to a level which more closely reflected their capacity to pay.

51. Another anomaly of the current scale was the application of the floor rate, which imposed an excessive demand on small Member States. Annex IV of the report of the Committee on Contributions demonstrated that the assessment of some of those countries was 30 times greater then their share of world income. In paragraph 35 of its report, the Committee argued that that anomaly could be rectified in part by lowering the floor. The Australian, Canadian and New Zealand delegations would go further and propose that the floor should be abolished.

52. National income was the only element in the current methodology that could reasonably be considered a transparent and equitable measure of capacity to pay. The other elements which had been introduced over the years had generally tended to produce distortions. That was the case with the adjustment for debt burden. He, in common with several members of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay, was in favour of its elimination, provided there was an opportunity for countries to demonstrate that they had made substantial net repayments.

53. Mitigation, which obliged the Committee, a technical advisory body, to engage in a form of political horse-trading, also had no place in a methodology to determine the capacity to pay of Member States. It was in order to avoid anomalies that the Preparatory Commission of the United Nations had decided that assessments should take into account income per head of population. Unfortunately, because of the subsequent over-emphasis on that factor, that decision had produced the opposite effect.

54. The ceiling envisaged by the Preparatory Commission in 1945 had been intended to maintain a relationship between a nation's contributions and its capacity to pay. As it stood today, the ceiling conferred on the wealthiest Member State a considerable advantage, some 550 points, which had to be subsidized by other Member States.

55. He noted with satisfaction the concrete proposals put forward by the ad hoc Working Group recommending the reduction of the statistical base period to three years, with possible annual recalculation to better reflect current capacity to pay. He regretted that the Committee on Contributions had so far failed to give the report detailed consideration. He hoped that the report that the Committee had promised to submit before the end of the fiftieth session would take into account the ad hoc Working Group's proposals and the observations of the high-level Working Group on the financial situation of the United Nations.

56. The apportionment of expenses for peace-keeping should be based on the regular budget scale, although the contribution of permanent members of the Security Council should remain significantly larger than their contribution to the regular budget. The surcharge raised thereby should continue to benefit economically less developed Member States, in particular the least developed countries. The Australian, Canadian and New Zealand delegations agreed that the current scale was inequitable and that a number of countries should contribute more to the financing of peace-keeping operations. However, they could not accept a unilateral decision by one Member State to reduce its assessed contribution. Apart from the legal and financial ramifications, it might encourage other Member States to attempt to abrogate their Charter obligations. The only valid rates of assessment were those adopted by the General Assembly. Balanced and realistic scales of assessment should be devised through negotiations among all Member States in a spirit of consensus.

57. Mr. GANGAN (Philippines), speaking on behalf of the Group of 77 and China, said he wished to reiterate that the principle of capacity to pay remained the fundamental basis for determining the scale of assessments, and recalled that the scale adopted by the General Assembly in resolution 49/19 B for the period 1995-1997 was the result of consensus. It remained valid, and States Members were therefore required to meet their obligations so long as there was no mutual agreement to review the consensus.

58. The Group of 77 and China believed the decision of the Committee on Contributions to continue the thorough review of the scale methodology pursuant to General Assembly resolution 48/223 C was sensible.

59. The Group of 77 and China noted that the economic parameters which determined shares in the funding of the United Nations had evolved progressively and had been adopted by consensus. They stressed that the scale should continue to take into consideration the special circumstances of developing countries and urged that those should be borne in mind They were prepared to work with others in an effort to improve the scale methodology, it being understood that the agreed principles and procedures should be the basis of discussions and that the mandates of the relevant bodies should be taken into account.

60. With regard to peace-keeping operations, the Group of 77 and China stressed the importance they attached to the principles regularly reaffirmed by the General Assembly: the peace-keeping scale should reflect the special responsibilities of the States permanent members of the Security Council, as well as the relative ability of countries to contribute. A different procedure was required from the one applied to meet the expenditures of the regular budget.

61. Despite the perceived notion of some, a revision of the scale of assessments would not be enough to remedy the financial situation of the United Nations. The only solution to the perennial problem of cash availability was for Member States to pay their contributions promptly, in full and unconditionally.

62. Mr. HUDYMA (Ukraine) said there was an urgent need to review the scale methodology, drawing on the suggestions and recommendations of the Working Group (A/49/897). It was a question of the financial viability of the United Nations. Despite some improvements, the existing scale of assessments for the year 1995 to 1997 still contained serious anomalies. Many Member States had to bear rates of assessment which exceeded by several times their capacity to pay and prevented them from fulfilling their financial obligations in full and on time. Nearly one quarter of the total outstanding contributions were owed by States Members whose assessments were too high.

63. As a staunch supporter of the United Nations, Ukraine had always contributed to its financing. Since gaining its independence, it had already contributed nearly $30 million and was about to contribute a further $10 million, bringing the total paid in 1995 to $15 million. If its contribution to the regular budget and to peace-keeping operations had been assessed in accordance with its ability to pay, the $30 million already paid should have been sufficient for his country not to have had a single dollar of debt to the United Nations.

64. In paragraph 49 of its report, the Working Group had recommended that gross national product should be used as the basis of calculations. Without prejudging the outcome of future discussions on that topic, his delegation believed that, for the reasons given by the Working Group, the proposal deserved careful consideration by the Committee on Contributions. At the same time, it did not appear realistic to take into account general level of development, as measured by socio-economic or human development indicators. With regard to the choice of indicators, it was important for the Committee on Contributions to follow the recommendation in paragraph 51 of the report of the Working Group on data concerning the former centrally planned economies.

65. His delegation supported the recommendation of the Working Group contained in paragraph 76 of the report to shorten the statistical base period to three years, as well as the suggestions put forward in paragraph 77. As the Working Group had recommended, IMF market exchange rates should be used to convert the statistics to a common currency. That method, approved in a number of General Assembly resolutions, should be applied to all Member States. When, exceptionally, price-adjusted rates of exchange were used, it was because the methodology did not permit the scale of assessments to be adjusted to economic

realities rather than because of excessive fluctuations in the rate of exchange. His delegation shared the view expressed by the Working Group in paragraph 85 of its report, and doubted that purchasing power parity, which was an artificial concept, could be used.

66. It was important to continue to study the application of low per capita income adjustment and debt-burden adjustment as well as the possibility of reduction of the minimum level of contribution.

67. Lastly, his delegation emphasized that the residual effects of the scheme of limits should be eliminated as soon as possible, as requested by the General Assembly. That long-awaited measure alone could help to considerably reduce the distortions in the scale of assessments.

68. Mr. YAMAK (Turkey) noted that the current scale methodology had become very complex and must be improved in order to reflect better Member States' capacity to pay. He supported some of the recommendations made by the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay (A/49/897) regarding continuation of the low per capita income adjustment; the proposal that per capita income should be calculated annually and averaged over the base period; adoption of gross national product (GNP) as a measure of income; use of market exchange rates to convert data to a common currency; establishment and maintenance by the Secretariat of a data base suitable for evaluation and simulation of the system and rounding of the scale to at least three decimal places.

69. While pleased that the Working Group had discussed the possibility of using some indicators of national wealth, he said that it would be helpful to that end to consider a recent study by the World Bank on the wealth of its member countries. The analysis of the figures in paragraphs 19 to 22 of document A/49/897 had been quite interesting. He could not agree to the Working Group's recommendation concerning a reduction of the base. In his view a longer period, six years for example, would have the advantage of smoothing out fluctuations in the national economies and providing a more stable scale while the scheme of limits was being phased out.

70. It would be impossible to establish a fair and equitable scale as long as the data used were far from accurate and complete. It was therefore essential to increase the comparability, reliability and transparency of the data in order to reflect more accurately changes in the national economies and Member States' capacity to pay. He pointed out that Turkey's share for the regular budget had increased by more than 40 per cent over the previous scale. He could not accept the Committee's decision to exclude Turkey from the list of countries which, during the phasing out of the scheme of limits, were subject to the 15 per cent limitation provided for in paragraph 2 of General Assembly resolution 48/223 B. In fact Turkey was a developing country which had benefited from the scheme of limits prior to 1992 and which continued to benefit therefrom.

71. Finally, he said that during the present period of financial crisis all Member States should try to pay up their arrears without making payment conditional on a revision of the scale.

72. Mr. NOVRUZOV (Azerbaijan) drew attention to the situation of newly independent countries of the former USSR, particularly his own country which, upon joining the Organization in March 1992, had immediately been assessed at an excessively high rate which did not take into account its capacity to pay. Because of its disastrous financial situation his Government would not be in a position to pay, by 1 January 1996, the approximately US$5 million which it owed to the regular budget. Unless it was recognized that his country's failure to pay was due to circumstances beyond its control, Azerbaijan was in danger of having article 19 of the Charter of the United Nations applied to it and losing its voting rights in the General Assembly. The Committee on Contributions and the General Assembly had indirectly admitted that in 1994, when Azerbaijan's assessment had been subject to a special adjustment.

73. Azerbaijan respected the obligations it had assumed upon joining the Organization. For that reason it appealed to the international community for understanding and proposed that the Committee on Contributions or a special working group established by the General Assembly should work out a scheme which would provide for gradual payment of its debt.

74. Mr. ALOM (Bangladesh) supported the statement made by the representative of the Philippines on behalf of the Group of 77 and China regarding agenda item 120. He reiterated that no linkage could be established between the Organization's cash flow problems and the scale of assessments for the regular budget. As the Secretary-General had said, the United Nations was technically bankrupt and must, as a matter of urgency, be put on a stable financial base. Its financial difficulties stemmed primarily from the failure of certain Member States to pay their contributions in full and on time. Review of the scale would neither add to the Organization's income nor guarantee it the necessary minimum resource base. At the same time, the methodology must be reviewed so as to make it simpler, more credible, more equitable and more transparent; capacity to pay should remain the fundamental principle.

75. Turning to the report of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay (A/49/897), he pointed out that while national income or net national product was the most appropriate indicator for establishing the scale, certain factors such as per capita income, seriousness of external debt burden, particularly in the case of the least developed countries and availability of foreign exchange played a vital role in evaluating capacity to pay. The current base period of 7.5 years made it possible to guard against excessive variations.

76. The low per capita income allowance must be maintained. As to exchange rates, the Ad Hoc Working Group had rightly pointed out that fluctuations and distortions in exchange rates could be a much greater source of variation and of error than income data. Market exchange rates were the only reliable conversion rates.

77. He pointed out that because of the deterioration in their socio-economic conditions, it was imperative that the 48 least developed countries should continue to benefit from the floor rate. In his view, the existing methodology was the best one devised thus far and although it could still be improved on in pursuance of General Assembly resolution 46/221 B such improvement should not be

at the expense of stability of the scale. Finally, he noted that the Committee on Contributions had decided (A/50/11, para. 8) to devote two sessions to a comprehensive review of the methodology so as to be able to reflect more carefully on the various issues before it.

78. Mr. SURIE (India) pointed out, on the occasion of the fiftieth anniversary of the United Nations, that the latter's many successes were attributable above all to the collective will demonstrated by its Member States and that, to a large extent, the Organization had been able to execute the mandated programmes and activities because it had had the necessary financial resources. It was unfortunate that, because of the financial crisis, India, one of the largest troop contributors in the peace-keeping operations, was being denied the reimbursement that it was due.

79. He pointed out that although a high-level open-ended working group had been established to examine the financial situation, unless Member States paid their contributions in full and on time and unless those which had not done so undertook to pay their outstanding arrears on the basis of a time schedule which would enable the Organization to engage in financial planning, the Organization would continue to remain financially strapped for cash. In that context, he welcomed the commitment undertaken by the Deputy Finance Minister of the Russian Federation and hoped that other countries with major arrears would follow suit.

80. He took note of the recommendations made by the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay (A/49/897) and the comments of the Committee on Contributions (A/50/11), specifically regarding the relative advantages of shifting over from Gross Domestic Product to Gross National Product and shortening the base period. Those issues should be considered further. He recalled that, in 1946, the General Assembly had observed that it was difficult to measure capacity to pay merely by statistical means and impossible to arrive at any definite formula; in his view that observation continued to be valid. Statistics about a country's national income did not by themselves represent an accurate portrayal of a country's capacity to pay. Other factors were just as important.

81. It was important to maintain the debt-burden adjustment and the low per capita income adjustment formula. Far from causing distortions, the latter formula permitted a more precise calculation of capacity to pay and was an integral component of the scale methodology. His delegation was sensitive to the concerns expressed by the Committee on Contributions concerning the consequences of the application of the floor rate for many small countries and it was willing to seek a more equitable solution. As far as the scheme of limits was concerned, it hoped that that issue would be considered by the High-level Open-ended Working Group on the Financial Situation of the Organization. Lastly, it agreed with the majority of delegations that it was premature to consider the use of purchasing power parity.

82. Mr. PANTIRU (Republic of Moldova) supported the principle whereby every Member State should pay its contributions in full and on time, but emphasized that the Organization's expenses should be distributed equitably among Member States on the basis of capacity to pay. In that connection, the incapacity of the newly independent States which had emerged from the former Union of Soviet

Socialist Republics to discharge their financial obligations was attributable not only to their extremely difficult social and economic situation, but above all to the fact that the rates of assessment recommended by the Committee on Contributions in 1992 were unfair and excessive compared with their real capacity to pay. The Republic of Moldova had thus accumulated such arrears that it risked falling under the effect of Article 19 of the Charter of the United Nations. Other countries were in a similar situation. In the current scale, the assessment rates of certain countries were three times higher than they would have been without the scheme of limits. The decision to reduce the effects of the application of that scheme by 50 per cent, as a first step, had gone some way towards attenuating the problem, but there was still no scale which reflected the real capacity of States to pay. He noted that the Committee on Contributions had been unable to formulate any definite conclusions on many aspects of the methodology.

83. He welcomed the decision of the Committee on Contributions to follow up the recommendations of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay (A/49/897) on data concerning countries which had formerly had planned economies. He supported the proposal by some members of the Working Group to reduce the base period to three years; that would reflect current data, and therefore real capacity to pay, more accurately. He was in favour of using market exchange rates to convert national income figures into United States dollars and eliminating the scheme of limits as soon as possible. He had been pleased to note that Australia, Canada and New Zealand were proposing the elimination of the floor rate. He hoped that the decisions to be taken by the Fifth Committee would result in a more equitable scale of assessments which would help to resolve the financial crisis of the United Nations.

84. Mr. SULAIMAN (Syrian Arab Republic) supported the statement made by the representative of the Philippines on behalf of the Group of 77 and China on agenda item 120.

85. In 1994, when the Committee on Contributions had decided to increase the assessment of the Syrian Arab Republic, his country had reminded it that it should base the scale of assessments on two fundamental criteria: capacity to pay and the economic situation of developing countries. His delegation believed that the particular situation of countries subject to foreign occupation should also be taken into account. That was the case of the Syrian Arab Republic, which suffered from the Israeli occupation of the Syrian Arab Golan. Indeed, that region's contribution to the gross national product had been considerable and the exodus of its inhabitants to other parts of the country had placed a heavy burden on the economy. His delegation asked the Committee on Contributions to take that factor into account at its next session.

86. The Syrian Arab Republic, which was very committed to the principle of the collective financial responsibility of Member States set out in Article 17 of the Charter, was aware of the gravity of the financial crisis, but believed that an increase in the rates of assessment of developing countries was not the solution. It was, above all, important that Member States, including the major contributors, should assume their financial obligations and pay their arrears. The allocation of resources should also be reviewed.

87. His delegation believed that at the present stage it was preferable for the Committee on Contributions to adhere to the scale of assessments set out in its report (A/50/11), since in the short term a modification of assessments would have no impact on the financial situation. In the long term, on the other hand, it was essential to draw up a scale which would take account of each Member State's capacity to pay.

88. With regard to the financing of peace-keeping operations, a separate methodology should continue to be applied and the special responsibilities in that regard which fell to States which were permanent members of the Security Council should continue to be taken into account, in accordance with the relevant resolutions of the General Assembly.

89. Mr. BASNET (Nepal) said that his delegation remained firmly committed to the principle of capacity to pay. It associated itself, in general, with the statement of the Group of 77 and would merely like to add a few observations on some elements of the methodology for the consideration of the Committee on Contributions.

90. The base period should be selected in such a way as to absorb economic fluctuations while reflecting the contemporary situation. Debt burden adjustment was an essential element of capacity to pay, particularly for the least developed countries overwhelmed by a debt burden. The low per capita income adjustment formula was another important element without which the scale methodology could not produce an equitable result. His delegation noted that the Committee on Contributions had recognized the importance of that element. It had also acknowledged that the application of the floor rate represented a distortion of the principle of capacity to pay. Only the total abolition of the floor would bring the rates of assessment of the small countries down to a level compatible with their capacity to pay.

91. The improvement of the scale would not, however, be sufficient to restore the financial situation of the United Nations. It was because of the non-payment by Member States of their assessed contributions that the United Nations had been brought to the brink of insolvency. His delegation noted that, paradoxically, the majority of the approximately 70 Member States which had paid their contributions for 1995 in full were developing countries, as were most of the troop-contributing countries, to which the United Nations owed considerable sums. It urged Member States which were in arrears to honour their obligations under the Charter and invited the Secretary-General to do everything in his power to reimburse to troop-contributing countries the amounts owed to them.

The meeting rose at 1.05 p.m.

UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
8th meeting
held on
Wednesday, 18 October, 1995
at 10 a.m.
New York

SUMMARY RECORD OF THE 8th MEETING

Chairman: Mr. ABELIAN (Armenia)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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In the absence of the Chairman, Mr. Abelian (Armenia), Vice-Chairman, took the Chair.

The meeting was called to order at 10.15 a.m.

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/49/897; A/50/11)

1. Mr. PALIZ (Ecuador), speaking on behalf of the Rio Group, said that the current method for determining the scale of assessments, which was the result of laborious consultations and negotiations, could be modified on the basis of recommendations by the Committee on Contributions. He recalled that, in its resolution 48/223 C of 23 December 1993, the General Assembly had requested the Committee on Contributions "to undertake a thorough and comprehensive review of all aspects of the scale methodology with a view to making it stable, simpler and more transparent while continuing to base it on reliable, verifiable and comparable data" and had reaffirmed that the principle of capacity to pay was the fundamental criterion for determining the scale of assessments.

2. The Rio Group called on the Committee on Contributions, whose work it supported, to continue the review undertaken and strongly hoped that, before the end of the current session, the Committee on Contributions would submit a complete and definitive report on the method to be used for determining the scale of assessments for the period 1998-2000. It felt that the subsidiary bodies of the United Nations should be allowed to perform their statutory functions and carry out the specific mandates entrusted to them by the General Assembly, avoiding overlap which, at a time of limited resources, was synonymous with waste.

3. The Rio Group recalled that the General Assembly had adopted by consensus the resolution approving the current scale of assessments. It did not support the arguments establishing a link between the current method for determining the scale of assessments and the financial situation of the Organization. Whatever the results of the review undertaken by the Committee on Contributions or the decisions taken by the General Assembly, Member States would still have a duty to finance the activities of the Organization envisaged in the Charter of the United Nations.

4. Mr. AHMAD (Malaysia), said that his delegation associated itself with the statement made by the representative of the Philippines on behalf of the Group of 77 and China. Welcoming the actual or announced payment of assessed contributions by certain Member States, his delegation reiterated its call to the States which had not yet done so, especially the major contributors, to pay the amounts due in full, on time and without conditions in order to provide the United Nations with the financial footing it needed to discharge its responsibilities under the Charter. At the ninety-fourth conference of the Inter-Parliamentary Union, the Special Representative of the Secretary-General had said that unless substantial payments of assessed contributions were received by the end of November 1995, the Secretary-General would convene an emergency special session of the General Assembly.

5. His delegation wished to point out that the scale of assessments for the period 1995-1997, which some countries regarded as unfair, had been adopted in the General Assembly by consensus, consistent with Article 17, paragraph 2, of the Charter, and fully reflected the principle of the capacity to pay. Member States which were not satisfied with their assessments had other avenues for redress than non-payment of their contributions. The conclusions of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay (A/49/897), of the Committee on Contributions (A/50/11) and of the High-level Open-ended Working Group on the Financial Situation of the Organization should be considered in detail before any decision was taken on the scale of assessments.

6. Although the next new scale of assessments would not be required until 1998, the Committee on Contributions should undertake a thorough and comprehensive review of all aspects of the methodology for determining the scale, as mandated by the General Assembly. His delegation had always been in favour of taking socio-economic factors into consideration in the calculation of the scale of assessments since that was the only method which could truly reflect a State's capacity to pay. It was therefore sceptical about the various proposals calling for a simplified methodology, for the sake of transparency.

7. His delegation believed that a base period of five to six years should be used, since the three-year period recommended by the Ad Hoc Working Group was too short to reflect properly the current capacity to pay, especially in the case of countries experiencing major fluctuations in their economies. Furthermore, it believed that the three-step approach in phasing out the effects of the scheme of limits by 50 per cent for the years 1995-1997 should be continued for the period 1998-2000, in accordance with General Assembly resolution 48/223 B.

8. With regard to the ceiling rate, his delegation believed that it was neither prudent nor in the interest of the Organization to rely on just one Member State for a quarter of the regular budget. It supported the recommendation of the Committee on Contributions that the floor rate should be lowered so as to rectify in part the distortions that existed in the capacity to pay of certain Member States, but warned against decreasing the floor to too low a rate, or abolishing the floor. It believed that the debt-burden adjustment should continue to be used for the many developing countries adversely affected by debt repayment.

9. His delegation was not opposed to expressing the scale of assessments in percentages of more than two decimal places, since that would mean greater accuracy. It had taken note of the recommendations and observations made by the Ad Hoc Intergovernmental Working Group and the Committee on Contributions on the advantages of using the gross national product rather than the gross domestic product to measure national income, and felt that the issue should be given further consideration. Finally, Malaysia could not accept the unilateral decision of a Member State to reduce its peace-keeping assessment and in that respect reaffirmed the validity of the principles and guidelines laid down by the Secretary-General in resolutions 1874 (S-IV) of 27 June 1963 and 3101 (XXVIII) of 11 December 1973 on determining the scale of assessments for peace-keeping operations.

10. Mr. Soong Chull SHIN (Republic of Korea) said that his delegation supported the statement made by the representative of the Philippines on behalf of the Group of 77 and China. It felt that it was essential, on the fiftieth anniversary of the United Nations, to find a viable solution to the current financial difficulties of the Organization. As the Secretary-General had reaffirmed in his report on the work of the Organization, the fundamental cause of the current financial crisis was the failure of Member States to meet their financial obligations to the Organization in full, on time and without conditions. The Republic of Korea had always paid its contributions to the regular budget and the peace-keeping operations budget and would continue to do so. It urged all Member States to demonstrate the political will to resolve the financial crisis which was impeding the fulfilment of the objectives of the Organization.

11. His delegation believed that the principle of capacity to pay should be the basic criterion for determining the scale of assessments and that it was important to forge consensus on the methods of providing the Organization with a viable and sound financial basis, since Member States had collectively accepted the method for the calculation of scales of assessment.

12. His delegation was in favour of maintaining a longer statistical base period than the proposed three-year period in order to achieve greater stability and predictability. It shared the view of some members of the Committee on Contributions that a shortening of the base period while the scheme of limits was being phased out could cause instability and excessive charges in the rates of assessment of some Member States. It hoped that the remaining 50 per cent phase-out of the effects of the scheme of limits would be carried out under a multi-step approach so as to mitigate the potentially strong impact on the assessment of certain countries like the Republic of Korea.

13. His delegation welcomed the adoption of the report of the High-level Open-ended Working Group on the Financial Situation of the Organization and the decision taken by the Working Group to continue its work during the current session. His Government had decided, as an initial step, to increase its voluntary contribution to the operational activities of the United Nations by 65 per cent in 1996.

14. Mr. ODAGA-JALOMAYO (Uganda) said that he too endorsed the statement made by the representative of the Philippines on behalf of the Group of 77 and China. Welcoming the comments of the Committee on Contributions on the report of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay (A/49/897), he expressed support for a scale of assessments that was based on the principle of capacity to pay - a principle which was supported by the overwhelming majority of countries. While the present methodology called for some improvement, it was the least unsatisfactory compared to other options proposed and had the advantage of having stood the test of time.

15. His delegation favoured the lowering of the floor rate of assessment for the least developed countries and other low income countries recommended by the Committee on Contributions in paragraph 35 of its report. The length of the base period selected should adequately take into account the current capacity to pay while maintaining stability and predictability in the scale. The General

Assembly should strengthen debt-burden adjustment in order to take into account the special problems of highly indebted countries, particularly the least developed ones. Agreement should be reached on a system which preserved the principle of capacity to pay while ensuring that the regular budget of the Organization was not heavily dependent on the contributions of one Member State. There was also a need to agree on realistic alternative conversion rates for countries that experienced serious distortions or fluctuations in their income. It was necessary for the General Assembly to give clear guidance to the Committee on Contributions on the various issues related to the scale methodology.

16. Mr. JAWARNEH (Jordan) endorsed the statement made by the representative of the Philippines on behalf of the Group of 77 and China. The report of the Committee on Contributions was especially important since it dealt mainly with the work of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay (A/49/897). In paragraph 8 of its report, that Committee had decided, in consideration of the comprehensive nature of the mandate given to it by the General Assembly, to devote two sessions to a comprehensive review of the scale methodology in order to undertake a more careful reflection on the various outstanding issues before it.

17. The capacity to pay should remain the fundamental criterion for determining the scale of assessments. The review of the floor rate would have an impact on the assessments of all Member States. He was against shortening the base period to three years because the most important variables for developing countries would not be adequately taken into account. He took note of the divergence of views mentioned in the report of the Committee on Contributions concerning the importance of maintaining the a debt-burden adjustment or on how to calculate it. In determining the scale of assessments, the Committee on Contributions should take into account not only the burden of the external debt but also the efforts made by some countries towards its reimbursement, as well as the per capita income and socio-economic indicators in accordance with the principle of capacity to pay.

AGENDA ITEM 133: FINANCING OF THE UNITED NATIONS MISSION IN HAITI (A/50/363, A/50/488)

18. Mr. TAKASU (Controller), introducing the report of the Secretary-General on the financing of the United Nations Mission in Haiti (UNMIH) (A/50/363), said that the mandate of UNMIH was to sustain the secure and stable environment which had been established during the multinational phase and to establish an environment that was conducive to the organization by the authorities of free and fair elections. The Mission had discharged its mandate very well. UNMIH was a model mission in that the Secretary-General had received both the political and financial backing of Member States.

19. The Mission's mandate had been extended until 29 February 1996 by Security Council resolution 1007 (1995) of 31 July 1995. With respect to the maintenance of the Mission, the General Assembly had made a commitment authorization at a monthly rate of $21.2 million gross until the end of October 1995. At the same time, the Assembly had issued assessments only until the end of August in respect of the authorized amounts. The General Assembly therefore needed to

take an urgent decision regarding the assessment of the amounts for September and October in order to ensure the continuation of the operation.

20. Thanks to the contributions of Member States, the financial situation of UNMIH was better than that of other peace-keeping missions. Thus far, the contributions arrears amounted to some $35 million or 20 per cent of the total funds appropriated from the beginning of the Mission until 31 August 1995.

21. Since the Secretariat was still calculating the reimbursements for troop-contributing countries, it had decided to pay to such countries on a provisional basis an estimated amount equivalent to two months of reimbursement it being understood that that amount would be adjusted once the final figures relating to contingents were available.

22. The document before the Committee contained the budget performance report for the period from 1 August 1994 to 31 January 1995 and the cost estimates for the seven-month period from 1 August 1995 to 29 February 1996. The financial performance report for the period from 1 August 1994 to 31 January 1995 reflected an unencumbered balance of $1.9 million gross. The Mission had not used the total amount appropriated by the General Assembly for that initial period mainly as a result of delays in the procurement of vehicles, office equipment and furniture and other equipment. However, for the same period, the General Assembly had assessed only a total amount of $2.2 million gross. It should therefore assess an additional amount of $1.7 million gross for that period.

23. The Secretariat needed three full months to prepare the budget performance report from the end of the period considered. Thus, the budget performance report for the period from 1 February to 31 July 1995 would be submitted on 1 November. At the request of the Advisory Committee, the Secretariat had submitted for that period preliminary information on the budget performance report which the Advisory Committee had mentioned in its report. However, such information should not be considered as definitive.

24. The cost estimates for the seven-month period from 1 August 1995 to 29 February 1996 amounted to $152 million and included a small percentage of one-time costs. Those estimates had been prepared on the basis of the monthly cost of operations since the beginning of the Mission, namely, $21.2 million a month. The few minor changes were due mainly to the cost of additional interpreters and some infrastructure repairs. The monthly cost for the period beyond 29 February 1996 was estimated at $21.2 million gross, should the Security Council decide to extend the Mission's mandate.

25. Three trust funds had been established concerning Haiti. Two of them had received considerable contributions: contributions to date to the Trust Fund for electoral assistance to Haiti totalled $9.6 million, while the Trust Fund to provide goods and services to the international police monitoring programme and other specifically designated purposes in Haiti had received $3.3 million. On behalf of the Secretary-General, he thanked the Member States which had made contributions to those Funds.

26. The actions to be taken by the General Assembly at its fiftieth session were summarized in paragraph 45 of the Secretary-General's report. For the period from 1 August 1994 to 31 January 1995, the Assembly was requested to assess an additional amount of $1.7 million taking into account the unencumbered balance mentioned in the budget performance report for that period. For the seven-month period from 1 August 1995 to 29 February 1996, the General Assembly was requested to appropriate the amount of $152 million gross inclusive of the amount of $63 million gross which the Assembly had already authorized in March 1995. For the same period, the Assembly should assess an additional amount of $130 million. Finally, the Assembly should make a commitment authorization at a monthly rate of $21.2 million gross with regard to the period after 29 February 1996, should the Security Council decide to continue UNMIH beyond that date.

27. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the financing of the United Nations Mission in Haiti (UNMIH) (A/50/488), said that the report covered the cost estimate for the period from 1 August 1995 to 29 February 1996 and contained information on financial performance for the period from 1 August 1994 to 31 July 1995. The General Assembly had authorized an appropriation of $5.9 million gross for the period from 1 August 1994 to 31 January 1995. As indicated in the report of the Secretary-General (A/50/363), the unencumbered balance for the period was $1,982,600. It appeared from the information provided to the Advisory Committee that savings of $10,683,000 were expected for the period from 1 February to 31 July 1995 (see paras. 13 and 14 of the Advisory Committee's report). The financial performance report for that period had not been available when the Secretary-General's report had been submitted to the Advisory Committee. In that connection the Advisory Committee expected that, with the introduction of the new budget cycles, it would be easier for the Secretary-General to provide the Committee with performance reports in good time.

28. As indicated in paragraph 15 of the Secretary-General's report, expenditures were estimated at $152,011,500 gross. In paragraphs 15 to 35 of its report the Advisory Committee presented its comments; subject to the comments contained in the report the Advisory Committee was recommending that the General Assembly should approve an appropriation in the amount of $152,011,500 gross for the period from 1 August 1995 to 29 February 1996.

29. He drew the attention of members to the political assumptions on which the budget estimates had been based. In paragraph 17 of its report the Advisory Committee noted that, if the mandate of the Mission was not extended, the repatriation of the military forces would start at the beginning of March 1996 and would take 45 days.

30. As to the amounts to be assessed, the Advisory Committee recommended that the General Assembly should take into account the unencumbered balances, i.e. an amount of $10,683,000 gross for the period ending 31 July 1995 and an amount of $1,982,600 for the period from 1 August 1994 to 31 January 1995. Should the General Assembly accept the Advisory Committee's recommendation, an amount of $12.6 million would have to be subtracted from the total amount of $152,110,500 to be apportioned among Member States.

31. Mr. GRANT (United States of America) said that in accordance with an act that had entered into force on 1 October 1995, the contribution of the United States Government to a peace-keeping operation could no longer exceed 25 per cent of the total budget of that operation. That rule would therefore apply to the United Nations Mission in Haiti as to other peace-keeping operations. He recalled that for UNMIH alone, thus far his country had paid more than $51 million for the year 1995. Even if limited to 25 per cent, the contribution of the United States to peace-keeping operations was far greater than any other contribution. His Government sincerely hoped that the General Assembly would urgently adopt the necessary measures to bring about the reform, deferred for too long, of the scheme for the apportionment of the expenses of peace-keeping operations.

AGENDA ITEM 115: PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995 (A/47/7/Add.5, A/47/454; A/49/952; A/C.5/47/17, A/C.5/47/61 and Corr.1; A/C.5/48/3, A/C.5/48/14, A/C.5/49/72)

Travel and related entitlements

32. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on travel and related entitlements for members of organs and subsidiary organs and staff members of the United Nations and on standards of accommodation for air travel (A/49/952), pointed out that some of the documents before the Committee dated back to the forty-seventh session. It was to be hoped that the Fifth Committee would not put off indefinitely taking decisions on those matters. He drew the attention of members to the Advisory Committee's comments in paragraph 3 of its report concerning the nine-hour rule and emphasized that the Secretary-General should review that rule in the light of all relevant factors.

33. As indicated in paragraph 9 of its report, the Advisory Committee believed that the International Civil Service Commission (ICSC) could be asked to study the question of the rules applicable to the travel by staff members of the United Nations and of the system as a whole. The members of the Fifth Committee might wish to take into account the report on that subject which the Joint Inspection Unit was currently preparing.

34. In paragraph 13 of its report, the Advisory Committee reiterated the recommendations contained in its earlier report (A/43/7/Add.8) concerning reimbursement of travel costs to representatives of the least developed countries attending meetings of subsidiary bodies of the Economic and Social Council and other organs. Paragraphs 14 to 20 of the report dealt with standards of accommodation for air travel. The Advisory Committee was of the view that there should be less flexibility in granting exceptions and recommended that the practice of authorizing exceptions ex post facto should be discontinued (para. 16). In general, the Committee believed that greater savings could be achieved through proper planning of itineraries.

35. The Advisory Committee had been informed that the question of the payment of a lump sum for home leave travel was under study. In the view of the Advisory Committee, that was one of the problems on which ICSC could be asked to present its views.

36. Mr. BIRENBAUM (United States of America) said that his delegation had become increasingly concerned at the cost and standards of travel of United Nations officials. In the light of its current financial situation, the United Nations must demonstrate that it was doing everything possible to control costs. The report of the Secretary-General (A/C.5/48/83) detailed the disparity in travel standards for officials throughout the United Nations system. Reiterating the proposal advanced by the Secretary-General and the Advisory Committee, his delegation proposed that the General Assembly should take action, at the current session, to refer the question of standards of travel to ICSC, requesting it to establish a system-wide standard of travel, derived from the practice of the comparator.

37. He believed that, in the interim, savings could be achieved under the Secretary-General's existing authority. His delegation concurred with the recommendation of the Advisory Committee to adopt innovative formulas such as "pare-fare" (reduced fares offered to companies whose staff members travelled frequently). The Secretary-General should define more narrowly the criteria which permitted upgrades to first class and do away with the nine-hour rule completely.

38. In addition, his delegation urged the Secretary-General to achieve savings immediately by ending business class travel for United Nations officials at the under-secretary-general, assistant secretary-general and expert levels, and by discontinuing the practice of premium payments, ranging from 15 to 40 per cent, that were granted to senior Secretariat officials on top of the standard per diem rates. Representational needs for officials at that level should be covered by allowances established for that purpose. Stricter accounting for costs actually incurred by officials travelling, especially those related to lodging, should also allow for additional savings.

39. The two reports of the Secretary-General on travel and related entitlements for members of organs and subsidiary organs of the United Nations had revealed the need to conduct a comprehensive review of the criteria applied in such matters as soon as possible. ICSC should be requested to determine a standard of payment for all travel and the legislative organs of other bodies of the United Nations system should be asked to undertake a similar exercise.

40. Pending the establishment by ICSC of norms that would allow for uniform travel standards, savings could be achieved immediately and to the benefit of essential programmes.

The meeting rose at 11.25 a.m.